

**MUNICIPAL ENTERPRISE: THE GROWTH AND DEVELOPMENT
OF MANCHESTER AIRPORT
C 1910 - 1978**

by

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TO MY FATHER

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A B S T R A C T

The aim of this thesis is to investigate the growth and development of Manchester airport and the implications of municipal ownership. The main theme is the nature of municipal ownerships structures and their interaction with other institutional structures and agencies in the immediate locale and at national level, which have influenced development processes and exercised control with the UK civil air transport industry as a whole, in terms of development policy and regulation.

The implications of municipal ownership structures within this wider context are viewed from the general perspective of the process of growth and development and from the specific standpoint of their implications for the evolution of procedures for and conduct of industrial relations at Manchester Airport. In essence the study of industrial relations forms a microcosm in which the potential problems introduced by the co-existence of municipal ownership structures alongside other ownership forms within the civil air transport industry are explored.

It is argued that the pattern of growth and development at Manchester Airport has differed from that experienced at other airports situated in the provinces. Despite the potential constraints upon airport development emanating from municipal ownership, it has constituted a positive factor in promoting the growth and development of airport facilities in Manchester. In essence, municipal enterprise has proven to be an appropriate vehicle for maximising gains in an industry subject to rapid technological change and growth. Municipal ownership supporting the injection of local knowledge, drive, initiative and enthusiasm has promoted the establishment of a local agenda for development, in the absence of positive growth promoting forces deriving from agencies and institutions operating within the civil air transport industry as a whole and on the periphery of airport operation. It is further argued that the municipal ownership regime offered the flexibility of approach and adaptability of internal organisational structures essential to the changing requirements of airport development. As far as industrial relations is concerned, it is argued that the application of principles governing the conduct of

industrial relations within the Local Government Service to airport workers, has given co-existence, had a partially negative effect on industrial relations with the relatively large group of specialist manual workers. Whilst procedures were generally adapted to accommodate the special needs of a municipal airport undergoing a process of growth and development not experienced by its counterparts, at the end of the day, the constraints of local authority procedures and practices culminated in the rejection of a national negotiating machinery which was inherently inflexible.

CHAPTER ONE

GENERAL INTRODUCTION

An airport forms an essential part of a modern transport system because it is the physical site at which a modal transfer is made from the air mode to surface modes. Rather than providing goods, an airport is concerned with the provision of a system of services on demand from a set of plant and fixed assets which can vary in size, quality and number. Clearly the main function of an airport is to facilitate the movement of passengers and freight by air.

An airport constitutes the point of interaction of three major components comprising the air transport system, viz, the airport itself (including the airways control system), the airline and the users. Basically for the air transport system to function efficiently, it is important for each of these three components to reach a position of balance with each other. Failure will result in sub-optimal conditions which may be manifested in a variety of ways including deficit operations by the airport or by the various airlines using it; unsatisfactory working conditions for both airline and airport employees; inadequate passenger accommodation; insufficient air services; unsafe operations; high operational costs to users; inadequate support facilities for airlines; long delays; inadequate access facilities; and, not least, sluggish passenger demand levels. Each condition can lead to a reduction in scale of operations as traffic is attracted elsewhere or, in the absence of substitutes, to declining levels of demand within the air transport system. (1)

In addition to the three major components which constitute the direct demand and supply elements of the air transport system, the surrounding community and its neighbourhood organisations may be regarded as a fourth element acting upon and forming part of the institutional framework of an airport. An airport is in constant contact with its surrounding environment at many levels depending upon size and function. As airports differ in type and in scale, so they similarly vary in their interrelationship with governmental and quasi-governmental bodies, and fit within different matrices of allied and associated organisations at central and local government levels. Small

airports may have little influence over the development of the air transport network outside the local area, and in their operation, encounter little interaction with the national and international institutional structures which govern the development of the civil air transport industry. (2) Objectives and goals may be set by an airport authority but the achievement of such goals will be highly dependent upon the perceptions of institutions involved in the control of the civil air transport industry and other influential agencies operating within the institutional framework.

Differences in type and scale affect not only interaction with external agencies but also internal operation. Airports providing simple passenger terminals for low volume operations may provide little more than a terminal facility, and the internal operation of such airports may be no more complex than a railway station or interurban bus station. The medium or large scale airport is, however, much more complex in operation, and organisational structures need to be capable of administering a wide variety of activities dealing with the servicing and maintenance of aircraft, airline operations including air crew, cabin attendants, ground crew, terminal and office staff, aviation support facilities - including air traffic control and meteorology, and governmental functions such as customs, immigration and health. With increasing size, operations may be diversified beyond immediate traffic needs, supporting a variety of ancillary businesses providing alternative sources of income necessary for the financial stability of the airport, such as retail concessions. As the scale of activity increases, aviation revenues assume a decreasing importance and, in most countries, airports maintain economic viability by developing a broadly based revenue capability. In general, the organisational structure of the operating authority needs to change in order to reflect this new emphasis on commercial revenues. Thus organisational structures will be evolutionary in nature and will, in part, depend on previously existing arrangements and on the ability to handle pressures as the scale of operation increases. (3)

Airports may be regarded as being similar to other businesses in that they require continuous and expensive maintenance, careful control of finances, and a planning capability to ensure that the operation can respond to changes in demand, technology and working practices. (4) However, there are a number of features of airport operation which

distinguish it from other enterprises and from the classical notion of the firm operating under free market conditions.

Firstly, airports are not footloose in the classical sense as location constraints arise from the need to be in relative close proximity to the market served. Airport development requires an allocation of land far greater than would be necessary to support almost any other single land use function. Currently Manchester Airport occupies some 1,400 acres of land. In itself this investment of land can represent a significant opportunity cost. A site must be suited to accommodate the forecast size and purpose of the airport and can only be abandoned at a heavy price. (5) Therefore, site selection is more crucial than in many other industries and the early abandonment of the Barton site in Manchester adequately demonstrates the difficulties involved. The acquisition of land for initial development and to cater for expansion may be costly, but such investment decisions are relatively infrequent and the effects of past decisions are long-lived, as can be seen from the consideration of the development of airport facilities in Manchester which forms part of Chapter Two.

Any major public use airport, whether of national or international importance, represents a large scale development of multiple runways, taxiways and aprons, multiple passenger and cargo terminals, large navigational control centres, extensive coverage of fire, ambulance and related safety services, internal security systems, multi-storey car parks, and road and feeder route systems. (6) Unlike other enterprises it is generally difficult to start small and reinvest profits to expand. In addition to initial development costs the operation and maintenance of a major international airport covering a 24 hour period during which emergencies can be routinely anticipated requires substantial capital outlay and continuing investment to keep facilities up to date. (7)

Another factor differentiating airports from other enterprises is the need to mobilise capital first and complete an airport project before benefits can accrue. This provision of heavy capital expenditure ahead of demand means that an airport authority may not only face an unremunerative period during construction of a facility, but also for long periods while traffic builds up. Airport development plans are essentially long term because of the time scale of obtaining the necessary approvals. A decision to establish or extend an airport

has always entailed lengthy discussions with one Government department or another on the justification for and siting of the proposal. It requires planning permission which may concern more than one authority because of the extent of the "safeguarding areas" in which the development of buildings could affect the safe operation of the airport. It requires negotiation for the acquisition of land—possibly by compulsory purchase order (as was the case in many instances at Manchester) and easements for approach lighting. Rather than the gradual expansion of runways and buildings there are many decisions to be made on "lumps" of investment representing all or nothing propositions, such as the decisions taken by the Manchester Corporation in the 1950s to extend the main runway and provide a new terminal building to cope with the jet aircraft of the 1960s. At the minimum level of service and for the small airport this "lumpiness" of capital investment is accentuated by the fact that a runway is needed as a minimum requirement. Initially a short runway may be constructed with no taxiway, suitable for only light propeller aircraft. As demand increases so the use of the runway expands until the question arises as to whether to strengthen and lengthen the runway. It is unlikely that the short runway will be fully utilised before it becomes desirable because of the attraction to airlines of cost reductions arising from the use of larger aircraft, to build the longer jet runway. Up to capacity then the expansion path involves marginal costs which are always below average costs and this is an important element in the argument for subsidising small airports. (8) Given this lumpiness of investment and long gestation period involved, airport development can only be viewed from a long-run perspective; this in itself forms a primary justification for adopting an historical approach.

Investment decisions are complicated by the interdependence of runway and passenger terminal systems. The threshold of a passenger terminal building may be reached in advance of runway congestion or, alternatively, investment in runway capacity to cope with large jet aircraft may be negated if sufficient passenger terminal facilities are not provided to cope with the increased throughput of traffic at any one time. The amount of capital expenditure on terminal facilities depends not only on the potential annual throughput of traffic but on traffic expected in the busiest periods of the busiest days. Air travel is concentrated at certain hours of the day on particular days

of the week in the summer season. Facilities cannot be easily adjusted to these different demand conditions and indivisibilities characterise the supply of airport services and related facilities. (9)

Individual investment decisions may have an unintentional - but nevertheless significant - impact upon airports in neighbouring regions. Traffic catchment areas overlap local boundaries so that the action of one airport authority may affect another in a variety of ways. For example, if one of a number of airports with the potential to serve a common catchment area generating the same level of demand differentiates itself from its neighbours by operating upon supply-side factors, such as providing the necessary facilities to cater for the aircraft which airlines wish to operate on particular inter-regional routes, then that airport has the potential to attract the lion's share of traffic within that region. The extension of Manchester Airport's catchment area in the post-war years is a factor highlighted in Chapter Two. The interdependence of investment decisions, coupled with the high proportion of capital costs involved in development means that competition may not prevail as many would-be operators may not be able to finance development without aid. So even where potential demand exists, if an airport is not large enough or facilities are not provided sufficiently ahead of demand, monopoly or some form of oligopoly of air transport services is likely to emerge as the result of the attraction of traffic elsewhere. Interdependence may also have a negative impact on the airport authority which decides to invest for expansion as the prime economic unit of the civil air transport industry, the air route, involves both a point of origin and a point of destination. If one airport on a route invests in facilities to cater for a particular aircraft type and volume of throughput whilst the other airport fails to invest to the same degree because of different perceptions or goals, then potential traffic on the route can be lost - so affecting adversely both airports.

Given the nature of investment decisions airports operate in a highly political environment. They are often regarded as facilities requiring public investment and, as such, frequently form part of a national airports system designed and financed to produce the maximum benefit. Attempts at national airport planning and policy regarding the financing of airport facilities are considered in Chapter Five and it is clear that airports in remote areas may be regarded as providing

an essential public service and thus the profit motive may not necessarily be paramount. National constraints determine the nature of current and future traffic handled in terms of parameters such as volume, aircraft types, international/domestic traffic split, the number of airlines served and potential growth rates. Although such constraints are a determining factor in airport development, they can clash with other conditions in the operating environment. In one sense civil aviation is concerned with supplying a transport service, satisfying a derived demand which arises from the need to match the production of goods and services with points of consumption, but spatially this activity is not constrained by national boundaries. Since air transport services operate within an international setting, the achievement of a spatial optimum may require fundamental co-ordination at the international level. This study therefore considers the nature of the international regulatory framework as part of Chapter Six.

Perhaps the most significant distinguishing feature of an airport is the relatively high incidence of externalities which arise from operation. Although the construction and expansion of a large international airport and of access links to the metropolitan area may immediately benefit air travellers, business interests and the industrial activities of a region, such development also leaves an imprint on the form, structure and pattern of growth of the urban areas served. Airports may generate social disamenities and physical environmental impacts which affect the "neighbours" in the vicinity of the site. Public safety and noise regulations related to aircraft operations may have a direct impact on the kind of land uses permitted in the area immediately surrounding the site. The operation of safety and noise zones can mean the prohibition of building within a certain distance of runways, and control in land use such as the curtailment of residential development within areas of high annoyance falling within the airport's noise shadow. Thus airports have a particularly strong relationship with their surrounding locality - a characteristic which is investigated in Chapter Four.

Airports also provide several ingredients that encourage urban growth. Airport services are labour-intensive and form an important source of employment. Airport authorities themselves may be large employers and this direct employment extends to on-site employment in

services immediately related to airport and aircraft operators. The operation of an airport introduces a large number of basic jobs within a region. An influx of workers and their dependent families may increase population. The most important region-wide impact of employment directly related to airport services may be the payment of higher than average wages influencing employee expenditure patterns. So the outcome of this employment is likely to be a considerable and lasting increase in regional income.

Employees of industries related to airport services generally follow the short journey to work tradition and settle in relative proximity to the workplace, and the spending of their income induces a multiplier effect which ripples through the labour market with primary employment giving rise to jobs in secondary and mainly service industries like retailing. A similar impact on other sectors derives from the increased demand for housing near the airport causing a surge in town building and an associated increase in public services like water and sewage. This secondary and service employment is, therefore, not related to the airport site but is associated with the airport employment base. Employees who fill service jobs, together with their dependent families, will bring about a further increase in population. Apart from these income effects from employment, spending by passengers and friends at an airport will further contribute to the economy of the airport region. Many will earn their income outside and in a way analogous to the foreign tourist spending will contribute to the region's exports further assisting an increase in incomes.

As traffic flows to airports are often higher than those converging on any other single activity centre outside the central business district, airports must be served by a "superior" roadway system. The vicinity of an airport may be an attractive location for businesses such as trading companies and banks frequently in contact with other countries, and for manufacturers of high value products dispatched by air and for distribution centres of more than regional importance. However, in addition to these secondary activities which are directly linked to the existence of an airport, the well developed road network which exists to serve the airport will, in itself, attract industries and tertiary services. These may include transport orientated industries with national or international markets; regional market industries serving the metropolitan area; research and new product

industries; and hotels, offices, catering firms, car hire outlets and warehouses. Other secondary effects flow from the opening up of the region to provide access to the airport, for example, the products of original inhabitants may be transported more cheaply and more distant markets will become accessible.

In short, airport development invariably requires major investment in infrastructure and public utility and the surrounding area becomes a natural focus for development. In the long-run in the absence of strict control airport sub-regions can become dense urbanised zones. Historically, in the UK many airports were located on inexpensive flat land near the urban periphery for technical reasons. Improvement of infrastructure serving the airport ripened development potential of these corridors. As cities began pushing out into less populated hinterlands in the 1950s and 1960s the infrastructure designed to serve the airport provided a ready link to the relatively undeveloped areas beyond. The ensuing development may have had little to do with the presence of the airport itself, but was stimulated or accelerated by the airport's need for an extensive road transport system. Thus inadvertently airports played a role in opening up new corridors for development just when many large cities were witnessing major population redistributions.

The indirect effects or externalities of airport operation are clearly highly significant. However, they are more difficult to measure or even to identify than direct effects. Any assessment of externalities will inevitably be coloured by perceptions and goals in a wider context. The urbanisation effects of airport development may be regarded as positive or negative depending upon the general goals of national and regional planning institutions. Where the policy is to stimulate the growth of a hitherto underdeveloped area an airport can serve as a powerful tool towards this end. If the goal is to slow down further expansion of an already highly urbanised region or to preserve an area as a valuable agricultural open space or recreational resource, the construction of a major airport or expansion of an existing one might run counter to that goal. (10) In the local arena the amenity groups which concern themselves with the disamenities of airport operation are more than likely to find themselves in a directly opposing camp to local Chambers of Commerce and other ad-hoc airport

"booster" groups which may develop to represent a miscellany of interests which are activated by such opposition. As this thesis is not generally concerned with the externalities of airport operation no attempt at measurement was made. However, in examining the role of local and national agencies in decision making processes, the local community cannot be discounted. Therefore, Chapter Four centres on the influence exercised by representative groups in the immediate locality.

Given the possibility that airports may act as growth points, governments may exercise control in such a way as to promote an airport as an instrument for redistributing prosperity between one region and another. Local authorities might similarly welcome the material prosperity promised by an airport. Possibly regional planners and politicians may find it easier than their national counterparts to envisage the effects of a proposed airport, to decide whether or not to accept the proposal and to identify any modifications to it and this superior knowledge may add weight to the goals set at this level. This is an essential theme of this thesis which investigates the growth and development of an airport which has from its beginnings been owned and managed by a local authority.

From the foregoing, it is suggested that airports differ from the classical firm in a number of significant ways. These differences which relate to the nature of the market in which they operate; the complexity of the institutional framework which influences their activities; the evolving internal organisational structure which develops with increasing scale; the peculiar nature of and constraints upon investment decisions; and the scale of externalities which flow from airport operation form a key justification for examining the process of development at Manchester Airport in detail.

Whilst airports differ from the classical firm equally there are few parallels to be drawn between civil air transport and other transport industries. The concept of social overhead capital and its distinguishing characteristics forms a useful basis for comparison. The transport developments in eighteenth and nineteenth century Britain encompassing Turnpike roads, canals and railways represented capital formation in an area basic to a number of economic activities. These transport systems were expensive to provide in comparison with manufacturing industry and were essentially non-importable. Large amounts of capital outlay representing more than the individual could

be expected to accumulate were involved so ownership and control was initially vested in trusts for Turnpike roads; these were superseded by the introduction of private non-participatory shareholders in the canal network; and finally this process culminated in a national market for railway shares in the mid-nineteenth century. Projects took a considerable time to construct with a long gestation period before any return on capital could be expected and a high capital-output ratio reflected the technical indivisibilities involved in development. Several economic historians have highlighted the significance of these developments as a source of external economies; these generated a return on investment which flowed indirectly to the community as a whole. The need to provide facilities ahead of demand has also been identified as another distinguishing feature of social overhead capital.

Broadly speaking an airport displays the characteristics which differentiate social overhead capital from other types of capital formation such as high capital-output ratios, technical indivisibilities, long gestation and external economies. With reference to the source of capital funds for major airport developments in the twentieth century the norm has involved substantial injections of public investment and has conformed more to the concept of social overhead capital than the transport developments of earlier centuries which were funded by private capital of one form or another. However, a fundamental point of difference between civil air transport and other transport networks is the incidence of variable patterns of ownership reflecting the respective stages of development and the differing functions involved.

Throughout the stages of the development of the civil air transport industry private airfields have existed alongside municipal and state owned airfields. Similarly the airlines which the airports have served over time have also taken on mixed forms of ownership. The institutional framework for the development of the railway network in Britain contrasts sharply with this arrangement. Ownership and control may have changed significantly through time with the merging of the small railway companies into the major trunk line companies which were succeeded by the wholesale nationalisation of the network as a single entity after the Second World War, but the mode of control and ownership of different parts of the network has not differed so far

through space.

As far as the railway network of the nineteenth and twentieth century is concerned the railway station - which might be regarded at the distribution and collection point on the surface network equivalent to the airport on the air route network - the rolling stock, railway tracks and other capital stock were under one single unit of ownership and control. Decisions as to the planning of routes and the development of the railway network including the establishment of terminal points, have tended to be made by the same people in common ownership of the system. By way of contrast, the ownership and control of civil air transport is vested in two distinctly separate and fundamentally different economic units, the airport and the airline. This separation of the two branches of the civil air transport industry can engender wasteful competition between individual airports who may try to influence the commercial decisions of the airlines. An analogy may be drawn with the Turnpike roads of the eighteenth century which were intended to be self financing by users paying tolls; profits depended upon how much the road was used and it could be assumed that if roads were well maintained then their use would increase. Similarly, a well maintained airport which is constantly adjusting to the changing needs of the airlines may maximise returns at the expense of other airports. However, the analogy begins to break down when it is considered that the true point of comparison is the air route itself rather than the airports at the point of departure or destination. The key question then concerns the ownership and control of the air route network which is rather complex. The system of international air routes has developed under the control of bilateral agreements between nation states. Licences to operate the route may be granted to airlines but this by no means confers ownership of that route. Primarily then the fundamental economic unit of the air route is owned by neither a single nor a combination of airlines or airports.

The segregation of ownership of the different components of the civil air transport system detracts from the traditional notion of transport systems as items of social overhead capital. As suggested, the economic characteristics of airports generally conform to the accepted definition of social overhead capital but the intermediary, the airline, does not fit so easily into this definition. It is possible for an airline to function with the minimum capital investment

in say one aeroplane, so the level of capital investment required to commence operations is not necessarily high, and there is the possibility of reinvesting profits to increase the scale of activity. Technical indivisibilities are not a problem and the return on investment can be almost immediate. Clearly, capital can be imported from other countries and even the ownership of such capital may be vested in overseas companies. Unlike the airport, the airline is also relatively footloose in its choice of location since it is more or less free to select and subsequently change the operating base from one airport to another.

Civil aviation and the airports which serve the airlines also differ from other previously developed forms of transport in terms of the economic role performed. Like other transport systems, civil aviation can contribute significantly to economic development extending the geographical area of the market, lowering production costs, improving communications and diffusing technological innovation. Essentially, if the railways helped to build nations then the airlines helped to build an international market. Transport by aircraft in the twentieth century has drastically cut journey times like the railways of nineteenth century Britain - but over much longer distances. This process of change has been evolutionary. Like the coaching services of the eighteenth century, the market for aviation in the inter-war years lay with the businessman and the rich. However, in the post-war period, the era of modern air transport developed and markets became more diversified and extended. Clearly, the mass passenger transport market discovered by the nineteenth century railways bears some similarity here. However, it could be argued that the social impact of air travel is of greater magnitude in its extension of tourist and family travel cutting across regional, national and international cultural and social differences.

As the transport revolution of the railway network was based on the application of steam power to internal transport, the extension of civil air transport into new markets has similarly owed much to technological advancement - although the significant feature of civil air transport has been the rapidity of technical developments in aircraft which has required the same pace of change at the airports which serve them. (11) The history of aviation in the western countries since 1913 has been one of almost uninterrupted technological

advance spurred on by two major conflicts. The era of modern air transport after the Second World War was largely based upon the rapid gains made in aircraft productivity which were significantly extended by the development of the jet airline in the late 1950s. As suggested, the facilities required on an airport are primarily determined by the characteristics of the aircraft, and aircraft have constantly been outgrowing airports. The grass runways which were adequate for the transport aircraft of the 1930s have had to be replaced by hard runways to meet the more exacting requirements of the present day air fleets. The length of runways required has been increasing, and approach paths needed for safe landings have become more critical from the point of view of the freedom from man-made and natural obstructions. The rapidity of technological change and its impact on demand for airport facilities has been a major contributory factor in the "lumpiness" of investment decisions. The rate at which aircraft have been developed has also made it more difficult to make sound commercial judgments on the economics of potential new projects at airports. The economic life of an aircraft may be about seven to ten years on average, but delays in their development mean that aircraft tend to be superceded earlier. In contrast, by normal commercial standards the economic life of a building is about 50 to 60 years. (12)

In comparison with the development of other forms of transport, the institutional framework which has governed the development of civil air transport has differed from the accepted norm. The role of the airport as a terminal point on the system is neither comparable to the railway station in terms of its integration with other parts of the system, nor comparable to the sea port in terms of the market structure which prevails and the relationship with other forms of transport. In effect the system that emerges is more the outcome of the interaction of numerous institutions which are seemingly independent of each other but are, in practice, interdependent because of the effects of decisions on the other components of the system. On the face of it each institution may set its agenda independently of other forces but, in reality, interdependence effects the achievement of whatever goals are set.

A survey of the literature regarding transport systems in general and civil aviation in particular reveals that economic historians have overwhelmingly concerned themselves with the developments of the eighteenth and nineteenth centuries, seeking to explain the interaction

between the process of industrialisation and the development of the means to carry greater quantities of goods and people over longer distances, at greater speed and at reduced cost. The impetus for change, the process of change and the consequences of change have all been debated at length.

As far as the civil air transport industry is concerned, the secondary literature is limited, with emphasis being placed more on airline rather than airport operation - which is probably reflective of the notion that airlines are the primary agents of change in exercising commercial judgement as to whether to fly a route or not. Notable titles here include the work of Alan Stratford, (1973); Stephen Wheatcroft, (1956 and 1964); and David Cobbett (1965).

Unlike the terminal points on transport systems that have predated civil air transport, airports have not been viewed as prime movers in restructuring the economic base of an extended community despite the high incidence of externalities. Inevitably there are difficulties in demarcating the extent of the community involved in an industry which serves both domestic and international markets at the same time, and this in turn detracts from any meaningful measurement of the contribution of airport development to economic change. In addressing the economic role of other transport systems, attention has focussed on the benefits which accrued to the community as a whole. Social costs have tended to be regarded as relatively small and far outweighed by the long run benefits of economic growth. In contrast, airports which have developed in a new era of consciousness concerning the environment have been subjected to a close scrutiny which has almost exclusively centred upon the impact of airport operation on the surrounding environment; cost-benefit analysis has been the order of the day with a considerable emphasis upon costs. As a result, the limited literature has been influenced by the thinking and philosophy of geographers and spatial planners such as Kenneth Sealy, and Richard de Neufville. A notable exception to this general rule has been the work of the Transport Studies Group of the Polytechnic of Central London which has been involved in the study of the economics and finance of airports for some 20 years.

Given that municipal authorities have been involved in airport operation from the very early stages of development of the industry in the 1920s, one might expect to find some references in the public

sector economics literature. However, researchers interested in the nature of municipalisation have concentrated their efforts on the great enterprises of gas and electricity which formed such a fundamental part of a Victorian philosophy - one that encompassed social goals which have not necessarily underpinned the development of airports as municipal undertakings. The absence of the "public utility" philosophy and the fact that the provision of airport facilities has never been a mandatory function of local authorities probably accounts for this.

Within 50 years Manchester Airport has grown from a small scale scheduled air service airport in the 1930s to an international gateway airport. The airport has remained under local authority control throughout the period of development. Charting the historical development of the airport enables us to examine the nature of different institutional forms involved and the way in which they interact to achieve set goals. It is possible to observe the relationship between size, business policy, internal organisation and external influence. A number of key issues can be addressed including the impact of municipal ownership structures on the setting and achievement of goals and on capital and labour structures; the evolution of internal organisational structures with increasing scale and the implications of interaction with other components of the civil air transport industry and central government. However, to date the secondary literature has been largely confined to books and pamphlets published by or on behalf of those engaged in publicity and marketing of the facility. These works are generally highly subjective and geared towards a public which is overwhelmingly comprised of "aviation enthusiasts" interested in a very general way, in the development of "their airport". The thrust of the remainder of the literature tends to centre around the results of research commissioned by the airport owner for particular purposes and so is limited in scope, such as various traffic forecasting and aircraft noise studies.

Given the machinery of regulation and control which has pervaded the development of the industry there is a relative abundance of published official sources, including Government White Papers and the reports of regulatory bodies. In addition, the municipal ownership of Manchester Airport in itself has generated a wide variety of unpublished sources. In any municipal enterprise the emphasis is on public accountability; therefore, size of the undertaking is largely irrelevant and data of

the same quality and completeness is generated whether dealing with small services such as bathhouses or services like education which tends to account for a major share of Local Government expenditure. Public accountability also involves exhaustive decision making processes and, as a result, an official record is created at each level of the reporting channels in the hierarchy from local line management, to local authority officers, elected members in committee and finally elected members in full Council.

Whilst Council minutes present major policy decisions, details as to why certain decisions were made, what options were considered and the consequences of past decisions are provided in the official record of the spending committee, that is the Airport Committee/Airport Authority on the one hand, and the Treasury Committee or Finance Committee and other service committees such as Establishment, Policy and Resources, etc, on the other. The reports of Local Authority Officers and Airport Management supplement committee minutes, collectively providing an account of the development of the life of the airport and its activities. Where the usefulness of this data is limited by summary and over-simplification, access to the records of the Manchester Airport Archive offers the possibility of enhancing the quality of information by reference to working files of the airport administration. This Archive has been the basic resource of the research and access to it has enabled me to draw together all the available sources of information in the public domain relating to the Airport's development. Working files are supplemented by reports forwarded by the major institutions and agencies involved in the process of growth and development at the national and local level. In addition, the Archive possesses a full range of briefs, proceedings and reports of public inquiries and an extensive collection of newspaper cuttings, all of which have provided an invaluable basis for the research. In effect, access to the Manchester Airport Archive has been fundamental to this thesis which is based largely on primary data and the availability of public and private sources together has offered insights not available elsewhere.

The central focus of this thesis is municipal enterprise in the context of the institutional framework of the long-run growth and development of Manchester Airport. The main theme is the nature of the municipal ownership structures and their interaction with other

institutional structures and agencies in the immediate locale and at national level. The implications of municipal ownership structures within the wider context are viewed from the general perspective of growth and development, and from the specific standpoint of their implications for the evolution of procedures for and the conduct of, industrial relations. This latter emphasis forms a microcosm in which the potential problems introduced by the co-existence of municipal ownership structures alongside others within the civil air transport industry are explored.

The thesis is structured into three main parts to support the focus on the interaction of institutions at the local and national levels, with Part III forming the study of the institutional framework and the specific case of industrial relations. Chapter Two charts the process of growth and development at Manchester Airport from its beginnings down to the late 1970s and comparison with other airports is included in order to highlight points of uniqueness and generality. Chapters Three and Four study the relationship between the airport and its immediate locality from the perspective of those "endogenous" factors arising from municipal ownership, and the "exogenous" influences impinging upon the development process. Chapters Five and Six address the nature and implications of national policy regarding airport development and the structure of the airline industry for Manchester Airport. Part III is divided into two chapters, the first providing the context for a consideration of the conduct of industrial relations at Manchester Airport; this examines the separate and distinctive evolution of industrial relations in Local Government and the concurrent development of procedures for the civil air transport industry as a whole. Chapter Eight considers the way in which the co-existence of these procedures has affected the course of industrial relations. Generally research has covered the period up to the late 1970s, projecting into the early 1980s only when necessary for completeness. Essentially, 1978 has been regarded as a convenient break-point as the award of Category "A" International Gateway Airport status is viewed as the culmination of a process of growth and development originating in the early twentieth century.

It is argued that the pattern of growth and development at Manchester Airport differs considerably from the experience of other airports in the provinces. Despite some obvious potential constraints,

I try to show that municipal ownership, and what might be loosely termed municipal "pride" has been a positive factor in promoting the growth and development of Manchester Airport. Indeed, I suggest that municipal enterprise has proven to be an appropriate *modus operandi* for achieving gains in an industry subject to rapid technological change and spurts of growth. In the absence of positive growth-promoting policies in the national arena and the difficulties of a purely privately-led approach, municipal ownership supported the injection of local knowledge, drive, initiative and enthusiasm, and thereby promoted the establishment of a local agenda for development. Whilst the benefits accruing to the City of Manchester were initially gained at the cost of other communities in the immediate locale, in the long-run the perception of cost was tempered by some awareness of the positive externalities of airport operation. With respect to industrial relations, the application of the broad principles governing the conduct in the Local Government Service has been a source of instability in relation to the relatively large group of manual workers who identified themselves more clearly with workers at larger airports operating under different ownership structures. However, in the long-run procedures have been adapted to accommodate the special needs of a municipal airport undergoing growth and development at a pace not experienced by its counterparts.

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CHAPTER TWO

LONG TERM CHANGE: AIRPORT FACILITIES, TRAFFIC AND FINANCIAL PERFORMANCE

2.1 INTRODUCTION

This thesis is broadly concerned with the growth and development of Manchester's airports. The central theme is the nature of municipal enterprise, thus emphasis is placed upon the institutional framework deriving from municipal ownership and interaction with national agencies involved in the control and regulation of the civil air transport industry. Obviously the study of the institutional framework within which growth and development has taken place cannot proceed without initially deriving some measure of the extent of change placing experience at Manchester within the wider context of the UK civil air transport industry as a whole. As the institutional framework itself is likely to affect the operation of free market forces in a variety of ways, it is useful to distinguish and consider separately the endogenous factors which constitute the underlying conditions determining the potential for growth.

The aim of this Chapter is to provide an overview of the evolution of Manchester Airport which constitutes the general framework for consideration of the role of institutions at the local and national levels. The basic objective is to examine the relative position of Manchester Airport through time, within the UK civil air transport industry. Primarily, emphasis is placed on supply-side factors, the most significant being changes in aircraft technology as they affect the requirements for airport facilities. Whilst appreciating that demand is influenced by other forces such as income levels, it is suggested that technological change has been a major determinant of growth in, for example, bringing civil air transport within the reach of lower income groups.

Operating in an international environment the civil air transport industry is influenced by changes in the international economy such as fluctuations in world trade and world output. The development of the industry in one country will be affected by balance of payments and exchange conditions. A balance of payments deficit, for example, may lead to trade restrictions and foreign exchange controls both limiting

the demand for international air travel. The domestic market for civil air transport is also affected by international economic conditions where contraction on an international scale may limit the extent of trans-shipment within the domestic economy, although natural economic conditions are probably the single most important determinant of demand in this branch of the industry. It is suggested that such demand considerations would be relevant to an industry-wide appraisal of civil air transport, however, the major thrust of this thesis is consideration of the relative position of one particular airport within an overall transport system. Similarly, only limited reference is made to local demand conditions because of the difficulty of defining local market boundaries as catchment areas are extended.

This chapter charts the extent and pattern of growth at Manchester Airport in terms of particular inputs and outputs making comparison with other UK airports located in the regions and the UK airport network in general where necessary. This is supplemented by consideration of the growth pattern emerging within the UK civil air transport industry as a whole.

The chapter is divided into three main sections, addressing firstly the development of airport facilities in Manchester and secondly the growth of air services and traffic. Particularly in this second section comparisons are made with airports which were of comparable size to Manchester in the early years of development, and the pattern of growth is related to both the UK network as a whole and the regional network of airports. By adopting this approach, it is possible to determine how experience at Manchester Airport differed from the norm and to provide an insight into why this should be the case. The third section deals with financial performance as an adjunct to considering supply-side factors. Responses to changes in requirements will inevitably influence financial performance and in this sense some comparison with other airports may prove to highlight the diversity of experience. However, given the nature and organisation of airport operation only broad conclusions can be drawn from financial data. Thus emphasis is placed upon the results of various surveys which have sought to address the internal economies of airports whilst highlighting the difficulties of comparison.

It is argued that the pattern of growth and development at Manchester has differed fundamentally from its provincial counterparts.

The advantages deriving from a natural extensive catchment area were realised at an early stage of development of the UK civil air transport industry. As a result of the provision of airport facilities to cope with the largest aircraft of the day diversification was similarly achieved at an early stage. The diversification in turn provided the framework for financial stability.

2.2 AIRPORT FACILITIES

The establishment of the first aerodrome in Manchester was associated with the City's involvement in aircraft production immediately preceding and during the First World War. A V Roe had formed a company manufacturing aeroplanes on 1 January 1910 and, with the outbreak of war four years later, was directed by the War Office to concentrate efforts on increasing the manufacture of the "Avro 504", a pre-war design which was to prove its worth, principally as a training machine. Construction work was based in Manchester in the basement of Brownfields Mill on Great Ancoats Street which was adapted for use as a workshop. The design and testing of aircraft took place at Brooklands in Surrey. As the production of "504"s increased, at the Miles Platting factory additional premises were established in a large extension to the Newton Heath works of Mather and Platt. Many aircraft were towed through the streets of Manchester on their own wheels to be loaded for rail transport, but a small number of machines were also tested at Trafford Park from 1913. (1)

The success of the "Avro 504" at the School of Special Flying, coupled with a shortage of operational aircraft, led to its increasing use in the flying services. With expansion of the services, smaller companies became involved in war-time aircraft manufacture including the Central Aviation Company Limited at Trafford Park and Crossley Bros Limited based at Gorton. In the early months of 1917, the Government

decided to build three National Aircraft Factories and a newly formed company, Crossley Motors Limited, was appointed to run one of them. Work commenced on the No 2 National Aircraft Factory at Heaton Chapel in October 1917 which specialised in the production of DH9 aircraft in the following year. (2)

The aircraft pouring out of constructors' premises in Manchester required examination and equipping for operational purposes prior to delivery to units at home and overseas, therefore, the War Department advised the Manchester City Council of a proposal to build an Air Acceptance Park at Didsbury. In close proximity to the proposed site was a railway station known as "Alexandra Park" and this became the name of the new aerodrome which was used for the ferrying of aircraft from May 1918. Figure 2.1, The siting of aerodromes around the City of Manchester, illustrates the close proximity of Alexandra Park to the city centre. The military authorities took possession of the site without purchase, under special war-time legislation. The War Department supervised the erection of buildings, including hangars designed to house any aircraft up to the size of the Handley-Page 0/400 twin engined bomber which had a wing span of 100 feet. The City Engineer undertook to improve road access to the area and to lay down all aerodrome roads. A V Roe and Company Limited occupied a hangar at the No 15 (Manchester) Aircraft Acceptance Park, although the major user of Alexandra Park was the No 2 National Aircraft Factory which had produced approximately 400 "DH9"s by the Armistice on 11 November 1918.

(3)

Plans for additional work at Alexandra Park were cancelled by the Air Ministry following the curtailment of aircraft production. However, by the end of the War a number of large hangars were in use

and the field had proven suitable to accommodate the largest aircraft of the day, generated by both Service flying and manufacturers' test flying. Following the deletion of the aerodrome from the list of Service airfields in June 1920, the hangars were used to billet soldiers of the Territorial Army. (4) The Manchester Guardian of 5 August 1920 recorded:

" not long since hundreds of WRAFs and mechanics, pilots and observers were about the place and aeroplanes came and went continually. Now the great doors are never open."

By November, grazing rights had been let and pilots were warned that they might expect to find cattle and sheep on the aerodrome. Nevertheless, the Manchester Corporation entered into negotiations with the landowner, Lord Egerton of Tatton, and the Government authorities for the purchase of the whole site, including buildings, as a civil aerodrome. Negotiations continued over four years during which time it became increasingly evident that the possibility of acquiring the site and buildings at a reasonable cost was remote. The ultimate collapse of negotiations was presaged when Lord Egerton announced his unwillingness to sell the area to the City for flying purposes, subsequent to the expiry of the Government lease, so Manchester's first aerodrome was closed in 1924 despite the efforts of the Manchester Corporation to acquire the site for civil purposes. (5)

With the benefit of hindsight, it was perhaps fortuitous that the aerodrome should close as in reality its future use would have been limited by the Corporation's plans for road development. One of the schemes projected under the provision of works for the relief of unemployment in 1919 had been the construction of an extension to Princess Road - a major thoroughfare from the City - across the site of the aerodrome. Had the aerodrome remained in existence on completion of this project, it would have been limited in size to only 110 acres, insufficient to deal with most of the airliners of the next decade. The building development which took place around the area in the 1920s and 1930s would also have interfered with development of the site and been detrimental to meteorological conditions. (6)

Although the Manchester Corporation had failed to establish a civil airport for the City in the 1920s, it is clear that little advantage

had been lost as a network of UK aerodromes had not been firmly established by this time. The closure of Alexandra Park left four Government owned aerodromes in the country at Croydon, Lympne, Castle Bromwich and Renfrew. In England and Scotland there were 43 landing grounds of which 26 were for RAF use and 17 were civil installations. (7) The Manchester Corporation eventually purchased the Alexandra Park site as an exhibition and show ground whilst the City Engineer was charged with the task of seeking alternative sites for an aerodrome. Initially, golf courses at Didsbury and Blackley were considered and during the decade Fairfield Common, Buxton, Northenden, Macclesfield, Knutsford, Bramhall, Wilmslow and Alderley Edge were all to be recorded as having actual or proposed landing grounds. (8) Suggestions that sites on the northern side of the City were being considered led to some concern on the part of aviators who were familiar with its environs,

"the murky atmosphere . . . is often so dense as to constitute a real danger of an approaching 'plane being badly out of its bearings."

Support for the Alexandra Park site continued. £1,250,000 had been spent on the aerodrome during war-time and although the hangars had been subsequently demolished, " the wonderful surface and the adequate area" remained. In contrast to other sites, the " plainly visible railway line from the south" running adjacent to the aerodrome provided an unmistakable landmark. (9) However, such support was futile as the ultimate sale of the site to the Corporation had been conditional upon it not being used as an aerodrome in the future. (10)

Given the difficulties of site selection, the Corporation sought the advice of John F Leeming, a local aviator. By September 1928, he had inspected three sites and the one most favoured was an area of 115 acres situated on the Wythenshawe Estate on the south side of Northenden, six miles from the city centre. Furnished with the results of these site inspections, estimates of the cost of a projected aerodrome at Manchester were compiled and two schemes were considered. The first scheme was based on the requirements for a well equipped aerodrome capable of operating a service of at least two aircraft per day, both ways, between Manchester and Croydon, with some allowance for expansion in local traffic. The projected cost involved in this scheme was estimated as follows:

Capital cost of aerodrome:	£ 38,280
Capital cost of ancillary services:	8,995
	<hr/>
Total Capital Cost:	47,275
Annual expenditure - aerodrome:	7,819
Annual expenditure - ancillary services:	2,480
	<hr/>
Total Annual Expenditure:	10,299

Source: Report of the Acting Town Clerk, Proposed Airport for Manchester Town Hall, Manchester, 10 September 1928 (MA PLC Archive)

Annual revenue arising out of the adoption of the scheme was estimated at only £1,968. The second scheme was more elaborate in the way of hangar accommodation and allowed for expansion in the operating service to between ten and twelve machines a day, using the most modern aircraft whilst allowing for a possible increase in the size of future aircraft. In this case, the capital cost of aerodrome provision alone was estimated at £44,770. (11) These figures confirmed that aerodrome provision involved heavy capital expenditure and suggested that the Corporation would face an unremunerative period in the initial stages. Nevertheless, a special sub-committee of the City Council was appointed in September 1928 to formulate concrete proposals. (12)

The special sub-committee inspected various sites north of Manchester in the Victoria Avenue district and at Chat Moss, to the west of Eccles in the rural district of Barton. Ultimately, the sub-committee selected an area on the Chat Moss Estate, owned by the Cleansing Committee, situated six miles by road from the city and in close proximity to the Trafford Park industrial estate. (13) The land at Chat Moss had been acquired in 1893 for the disposal of nightsoil, but with the discontinuance of the use of pail closets and the subsequent conversion and substitution of the water carriage system, the necessity for the disposal of nightsoil had diminished. (14) The fact that the land was in the ownership of the Corporation was advantageous in eliminating the need for heavy expenditure in land acquisition and the need for Ministry of Health approval, but to some degree, these advantages were offset by the extent of work required to

make the site suitable for an aerodrome. (15)

At the time, aerodromes required the provision of a length of runway in all directions of not less than 600 yards and the clearance of all approaches - eliminating high chimneys, tall trees, church spires, etc. Any obstruction could lessen the effective length of a runway to the extent of ten times its height. Another requirement was that the aerodrome should have a good, hard level surface with an average gradient of not more than one in fifty. To satisfy these conditions at Chat Moss, the work required included the removal of fences within the aerodrome perimeter, the removal of railway tracks and farm tracks, the filling in of depressions and the levelling of embankments. (16)

By January 1929, the Corporation had produced two detailed estimates of the cost involved in the provision of an aerodrome at Chat Moss. One provided for the complete preparation of the landing ground, including the laying of concrete runways and the erection of hangars, whilst the other provided for only partial development of facilities. Experts advised the Aerodrome Special Committee that the latter arrangement would suffice for any initial air service so a sum of £30,000 was set aside for partial preparation and compensation due to farmers for vacant possession of the aerodrome site. Mindful of the financial risks involved in aerodrome provision, further development of the site was postponed until such time as the aerodrome showed a return. (17) The Cleansing Department expressed its willingness to co-operate in the siting of an aerodrome and some 124 acres of land at Barton Moss were leased to the Corporation's Aerodrome Committee at a rental of £450 per year for twenty one years. The Cleansing Committee negotiated the terms for compensation to two tenant farmers, one of whom was quitting his total holding of 257 acres and the other who was relinquishing 19 acres of his holding. (18) The greater part of the work involved in the erection of buildings, the construction of roads and the levelling and surfacing of the landing area at Chat Moss was carried out by Corporation labour under the direction of the City Engineer. The Cleansing Committee had a special role to play in the construction of the aerodrome making use of the light railway which existed in the area, to supply 300 tons of clinkers per week, 300 tons of dust every fortnight and an unspecified quantity of ash box refuse for consolidation of the runway. (19)

The eagerness of the Manchester Corporation to become involved in

the provision of air services for the City is demonstrated by the fact that whilst awaiting completion of the Barton site a temporary site was improved at Wythenshawe at a cost of £150 16s 3d involving site preparation and levelling, and alterations to a barn which was to serve as a terminal and hangar. In the same financial year, 1928/9, the Airport Committee recorded an income of 10s by way of rent of the temporary aerodrome. In its first and last year of operation, 1929/30, the income derived from landing fees was £12 19s 3d. (20)

As shown in Figure 2.1, this temporary site was to the south of the city whilst the permanent Barton aerodrome which was opened on 1 January 1930, lay to the west. As suggested, the major consideration in site selection had been the avoidance of heavy capital expenditure in land acquisition but, within four years, the aerodrome was found to be inadequate for operational and technical reasons. On a visit to the aerodrome, representatives of Railway Air Services expressed "disappointment" at the small landing area which they regarded as insufficient for the regular operation of the DH 86 type of aircraft. (21) Extension to the aerodrome would have been difficult and costly as the ground conditions became progressively worse deteriorating to bogland. (22) Nevertheless, three different methods of extending the landing area were considered, although in all cases the total area of the landing ground could be extended to only 133 acres. The first method involved the entire removal of peat with ploughing and sowing with seed in the southern area. The estimated total cost of this scheme was £281,485. The second scheme involved trimming off the surface and levelling the ground, driving wood piles and finishing with four inch reinforced concrete in the northern area; removal of small pockets of peat and ploughing and sowing with seed in the southern area. This method of extension was estimated to involve a much smaller cost of £114,874. The third scheme considered was the same as the first, but rather than remove the peat entirely from the southern area, only a layer of a depth of two feet would be replaced with dry material. This was the least costly scheme, estimated at £104,887. All three costings related to groundwork only on the landing area and the provision of fog runs was estimated to cost an additional £110,293 to £329,645. Notwithstanding such improvements, the general outline of the landing ground would still have been irregular; the Barton Power Station and the railway would have been a hindrance to future

extensions of the aerodrome, the approach to Barton from Manchester was not ideal and surface transport in the Eccles area itself was also difficult. (23)

Given that the Barton Airport offered little prospect of future development, the Manchester Corporation sought an alternative site in order to establish a prominent position in civil aviation. Other aerodromes had been established in the north west region by the mid 1930s, but as far as the needs of the city were concerned, each had its drawbacks. For example, the AV Roe Aerodrome at Woodford was 13 miles from the city by road and could not offer satisfactory access. There was the possibility that Liverpool (Speke) Airport, which was seven miles from the city of Liverpool, could have served the region as a whole and KLM, the Royal Dutch Airline, had, in earlier years, supported the notion of a joint airport for Manchester and Liverpool on the grounds that:

"for such an industrial area with Manchester as a centre, and with the great port of Liverpool, the creation of a joint large modern Airport would be easy and could be made to pay." (24)

However, even in these early days of development, Liverpool Airport had already reached the maximum dimensions obtainable on the existing site. Hooton, a private airport on the other side of the Mersey, similarly seemed to offer little in the way of future development as it was not comparable in size to what could be obtained at Speke. (25) So on the basis of existing facilities there was some justification for another airport in the North West region capable of dealing with foreseeable developments.

In March 1934, the City Surveyor considered lands suitable for the siting of an additional aerodrome in the Manchester area. Initial investigations revealed that the choice of sites in close proximity to Manchester and fulfilling the required conditions was very limited. If a prospective airport was to supply the needs of both intercity and town communications within the British Isles and continental traffic it was imperative that the facility be placed close to the major centres of population. An area of land in the parish of Mobberley was found to be fairly suitable as to contour and texture, but was limited in size and lacked direct communication with Manchester. (26) A site near Warrington, comprising some 831 acres, was large enough to cater for future development, but the presence of open ditches, water holes and

ponds required culverting. In addition, the site was little higher than the existing site at Chat Moss and the soil composition was unsatisfactory. (27) In July 1934, the Waterworks Committee reported the availability of a site comprising 560 acres situated at Bowlee, Middleton which might offer advantages as an airport, especially close proximity to the city. (28)

However, on this occasion in order to ensure that every possible avenue of enquiry was exhausted, the Corporation contracted the services of Messrs Norman, Muntz and Dawbarn, Aeronautical Consultants, based at Heston Airport to advise upon alternative sites. The consultants, in turn, approached a Manchester based firm of Chartered Surveyors, Meller, Speakman and Hall, to inspect and report on the environs of Manchester for a distance of up to 15 miles from the city centre. The inspection of land around the north of Manchester revealed that the general characteristics of the land, especially proximity to the Pennine Chain, would prejudice this choice. The general direction of the range is from north to south about 15 miles from Manchester, a large proportion of land on the south side is well removed from the hills, however, they converge on the north side. A large area of land on the north east and easter sides of Manchester, although suitable as regards distance from the city was out of the question as it actually lay on the foothills of the Pennines. This area included land around Whitworth, Norden, Milnrow, Oldham, Ashton-under-Lyne and Stalybridge. Building development on the north side of the city had tended to be rather indiscriminate and visibility all around the north and east of Manchester was inferior to the south. Despite these general characteristics, six particular sites north of Manchester at Heywood, Unsworth, Middleton, Victoria Avenue, Culcheth and Audenshaw were considered. However, all sites tended to be centred in built-up areas with tall chimneys and electric power lines or cables. (29)

In contrast, the land around the south of Manchester in North Cheshire, boasted few towns, villages and factories. Residential development had progressed with the Corporation's new estates at Wythenshawe and building around Hyde, Romiley, Stockport, Hazel Grove, Bramhall, Cheadle, Northenden, Timperley, Sale, Altrincham and Hale. However, beyond this ring the country was quite open. The area offered relatively level ground, good visibility and aeroplanes approaching from London, the South, Ireland, West Scotland and the Continent could

avoid the need to fly over Manchester. Three sites were considered at Mobberley, Woodford and Ringway. The major problem with the Mobberley site was very poor road and rail access whilst the site at Woodford, which already accommodated an aerodrome of about 150 acres, was virtually incapable of extension as the land slopes towards the River Dean. On the other hand, Ringway was seen to offer a number of advantages. Within reasonable distance of the City, the then planned Princess Parkway extension from Altrincham Road at Wythenshawe to the City boundary at Ringway extending southward as a main arterial road to beyond Knutsford offered the future prospect of excellent access to the centre of Manchester. At the same time, the City was planning for another main arterial road 60 feet wide leading from the end of Kingsway at East Didsbury through the Wythenshawe estate at Sharston and Brownley Green to Heyhead making contact with the north easterly boundary of the Ringway site. The proposed site of 664 acres was found to be remarkably even; fields on the site were of a moderate size and hedgerows were low. The ground consisting of mainly boulder clay on marl or sandstone was also satisfactory. As the area was mainly agricultural, there were virtually no high buildings and only one tall chimney which belonged to a local brickworks. As the site was 260 feet above sea level or 200 feet above the Barton site, visibility was much improved. (30)

Nigel Norman suggested that on this site "an aerodrome better than any in this country and second to none in Europe could be created". (31) The only disadvantage of the site was that it was not in the ownership of the Corporation. In fact the land for complete development of the site was in a considerable number of ownerships and lay outside the city boundary. Messrs Norman, Muntz and Dawbarn highlighted the necessity - should the City Council approve the scheme - to open negotiations with Cheshire County Council, Bucklow Rural District Council and the North Cheshire Regional Planning Committee to secure agreement to the construction of the airport and the consequential diversion when required, of public highways and proposed new roads included in the planning proposals for the district. (32)

In assessing the requirements of an aerodrome on the Ringway site, Norman, Muntz and Dawbarn considered areas of land which could be reserved for airport building development; areas which it was desirable the Corporation should control for direct access to arterial roads

and/or railways; land suitable for activities ancillary to the airport and land which should be kept free from flying obstructions. The initial scheme of development proposed a landing area of 187½ acres, providing grass runs of 1,200 yards, sufficient to suit all airline requirements except heavily laden long distance aircraft. The estimated cost of this initial landing area was £50,890, (although the City Engineer later revised this estimate to £64,512). The cost of buildings, ancillary works and services was estimated at £54,050 and the cost of land acquisition including compensation, legal, professional and arbitration fees was estimated to be in the region of £58,633. The Finance Committee of the City Council confirmed that the total costs involved in the initial stages of development would be about £179,295. (33)

Clearly, the investigations undertaken by the Aeronautical Consultants commissioned by the Corporation had been exhaustive in contrast to previous site selection procedures and the Airport Committee was confident that the growth in air traffic between England and the Continent was sufficient to justify future expenditures. For example, the number of passengers carried from Liverpool to Amsterdam and beyond in the first two weeks of July 1934 had exceeded the number of passengers carried in June when the service had been inaugurated. Similarly, regular internal airlines were being operated to a total route mileage of 2,719 and virtually all of these air lines had commenced operation in the preceding 12 to 18 months. (34)

The decision to proceed with the construction of an airport at Ringway was taken by the City Council on 25 July 1934, but this decision did not lead to the ultimate demise of Barton Airport. The Council decided that expenditure at Barton was not abortive, as operating in its existing state, it could act as a buffer to Ringway for small aircraft not working to regular timetables and for the activities of light aeroplane clubs. Firms interested in the manufacture of aircraft could also be encouraged to locate at Barton. (35)

By September 1935 a contract for levelling, draining and seeding the site at Ringway had been awarded to the En-Tout-Cas Company Limited. Work commenced on 28 November when the Lord Mayor of Manchester, Alderman T S Williams, performed the ceremony of cutting the first sod. (36) The landing area complete comprised 247 acres and provided

runways of 1,100 yards in three directions and a fog runway of 1,400 yards running north east to south west. Messrs Norman, Muntz and Dawbarn were engaged to prepare detailed plans for the erection of the first instalment of terminal buildings and for the provision of night lighting to allow for the use of the airport in the early morning hours and after dusk. The initial building works proposed involved the erection of a hangar with annexes containing storerooms and workshops for the operating companies and a terminal building containing administration offices, Customs offices, a restaurant, pilots' room and control tower. The contract for this work was awarded to Messrs C H Godfrey and Son Limited of Manchester in October 1937. In the same year, the Fairey Aviation Company Limited acquired a lease from the Corporation and constructed the first building of their factory development on the west side of the site. The Company had taken over the former First World War aircraft factory at Heaton Chapel, Stockport, to deal with large orders for the "Fairey Battle". These aircraft had been tested at Barton, but the operation transferred to Ringway when the landing ground was completed. (37)

Manchester's second airport, Ringway, as shown in Figure 2.1 opened on 25 June 1938. The City's first airport had failed to become the scheduled service airport envisaged in the 1920s. The Barton experience had adequately demonstrated the difficulties involved in site selection and as a result the Corporation had taken every effort to ensure that a second airport would be capable of accommodating future requirements. However, within little more than a year, the civil operation at Ringway was interrupted by war-time conditions which were to significantly affect airport operation in the post-war years.

During the war a revolutionary change had taken place in the design and construction of airfields. In contrast to the 1920s by the end of the Second World War, the UK possessed a comprehensive system of aerodromes equipped with concrete runways of varying dimensions and bearing strengths, some built to cater for fighters and others for heavy bombers. 700 airfields existed, although their siting and dispersal had been determined by strategic and military requirements and few were conveniently located close to towns and cities or suitably planned and constructed for civil airports. (38) When the ban on civil flying was lifted on 1 January 1946, nine aerodromes which had been used for civil aviation before the war were immediately opened and by

the end of 1947 the number of aerodromes available for civil flying had grown to 133. (39)

During war-time, air transport facilities in Manchester had been improved. Similar to the experience at Croydon, Heston and Liverpool which had been the main international airports in 1939, the grass landing ground had proven unsuitable for continued use in all weathers and the very heavy traffic generated by war-time operations. The Ministry of Aircraft Production had therefore constructed, with the consent of the Corporation - hard runways of six inch reinforced concrete carpeted with pervious bituminous asphalt in three of the four directions of landing. (40) These runways were 150 feet wide and 3,270; 3,300 and 4,200 feet long with two and a half miles of perimeter track. The only hard surface existing before the War had been the apron where passengers boarded and alighted. Further buildings had been erected for the Ministry of Aircraft Production and, in total, the Ministry improvements at Ringway during the War had amounted to a investment of about £700,000 (41) Figure 2.2 illustrates the extent to which the Airport had been developed from the original terminal building to cater for war-time requirements.

Other airports similarly benefited from the intrusion of war-time conditions. Prestwick had been developed not only as an airport for traffic plying the Atlantic, but also as a facility to cope with the stream of military aircraft from Canada and the USA. It had been well equipped with navigational aids and a main runway 6,600 feet long. After the cessation of hostilities, Prestwick became a port of call for BOAC's air services to Canada and the United States and in 1947, the Ministry decided to strengthen the main runway as an interim measure against the arrival of the heavier types of trans-Atlantic airliners which were expected. Similar extensions and adaptations of existing buildings and the erection of new buildings were completed at Blackpool, Isle of Man (Ronaldsway), Wick, Edinburgh (Turnhouse), Glasgow (Renfrew), Carlisle (Crosby) and Inverness (Dalcross). Within two years of the end of the war, the embryonic Heathrow Airport was transformed into the London Airport with facilities for handling all the long distance trunk operations of British, Dominion and foreign airlines. (42)

As early as 1944, the Manchester Corporation had considered the likely future role of its airport after the cessation of hostilities.

The City Surveyor and Messrs Norman and Dawbarn concluded that as far as aerodromes catering for aircraft with a range of 3,000 to 4,000 miles were concerned they

" must be the responsibility of Central Government . . . an airport of this scale of importance is a National requirement in the same way as a great seaport . . . no local authority or private owner can be expected to finance the construction and maintenance of an airport of this type . . . Ringway should not and cannot be a Transocean airport . . . but should and can be a "major airport" . . . catering for transcontinental traffic, linking services with the great European cities." (43)

To achieve this state of affairs, a number of alternative schemes for future development were considered involving either three or four runways with terminal buildings, an embarkation area, a re-fuelling area for aircraft, an area for "lay off" where servicing and maintenance repairs could be carried out including hangars, a rotor park for helicopters and hard taxi strips to reach the runway. Such plans however, were very tentative and emphasis was placed upon the need to base proposals on information available after the war regarding the latest improvements in aircraft design. (44)

With the benefit of hindsight, this clearly was a prudent decision as the effects of changes in aircraft design in the post war years on airport requirements were far reaching. Initially because of the war-time decision to concentrate on the production of fighters and bombers, British civil aircraft production had fallen behind the USA. Some piston engined aircraft were produced immediately after the war but they were make-shift designs derived from military types. The characteristics of these aircraft reflected priorities set by aircraft designers during the war who had sought to obtain higher speeds particularly increased stalling and landing speeds. Increased speeds had the effect of increasing the lengths of runway required to land and the new generation of aircraft in use after the war also required surfaced runways with clear approaches above a very shallow angle. (45)

In 1951 the main runway at Ringway Airport was extended by 1,700 feet to 5,900 feet by the Ministry to allow adequate take off runs for larger aircraft. This gave Ringway the status of a class "C" aerodrome according to International Standards laid down by the International Civil Aviation Organisation (ICAO). (46) However, technological change in aircraft design continued at a pace in the post-war years as the British and US aircraft manufacturing industries sought to achieve

the competitive edge. Prior to the cessation of hostilities, the British Government had set up a committee under Lord Brabazon to prepare plans for the post-war development of civil aircraft and the committee had recommended a "leap frog" policy for British aircraft development, urging that post-war designs should incorporate turbine engines. The two most important aircraft in this phase were the "Viscount" where turbine engines were used to drive propellers, and the "Comet", which was a pure jet design. By 1958, the US had the "Boeing 707" ready for service which was more technically advanced, offered superior range characteristics and could provide non-stop regular operations across the North Atlantic. Four years later, the new "Comet 4" was in service with BOAC. Subsequent development was very rapid and by 1963, the long range jet aircraft in use included the "Comet 4", "Boeing 707", "Boeing 720", "DC-8" and "Convair 880/990". The application of these aircraft on short haul routes was less rapid than on long haul. Many experts felt that the "turbo-props" had cost advantages on these shorter routes where the advantage of speed offered by the jets was less important. The Vickers "Vanguard" and Lockheed "Electra" were products of this belief. Nevertheless, the introduction of the French "Caravelle", introduced to regular service by Air France in May 1959 and its commercial success on relatively short routes gave rise to a new generation of competitive jet aircraft, all designed for medium and short haul services. Such aircraft included the de Havilland "Trident", "Boeing 727", BAC "1-11", and Douglas "DC-9". Whilst aeroplane improvements had been made in the past, none had been so radical as that introduced by the jet age. Pre-existing aircraft types could not co-exist with the new and thus major airlines began to replace whole fleets. (47) As the pace of change in aircraft design increased, so this was reflected in rapid runway improvement at Manchester Airport in the late 1950s and early 1960s. A significant feature of this development was the continual modification of plans which reflected the fact that aircraft design was in a constant state of flux creating difficulty in forecasting future requirements.

In the early 1950s, it had been suggested by the Airport Special Committee, that if the airport was to be developed to international standards, the main runway would have to be lengthened to at least 7,000 feet. (48) The existing length of 5,900 feet meant that trans-Atlantic aircraft like the Stratocruiser, Comet IV, DC-7C, DC-8 and

Super Constellation had to land at Prestwick or Shannon before crossing the ocean or alternatively suffer a reduced payload. Subsequently, the Ministry of Transport and Civil Aviation advised that, in order to meet the needs of aircraft likely to be in use in the foreseeable future, a balanced field length of 8,100 feet would be required with 7,000 feet of paved surface being supplemented by 900 feet of prepared stopway at the north easterly end and 200 feet of stopway at the south westerly end of the runway to provide emergency provision to enable aircraft experiencing engine trouble during take-off to land again in safety. (49)

The Airport Committee of the Corporation initially proposed that the 1,100 feet of paved runway should be at the south westerly end on lands forming part of the airport. The total scheme involved the compulsory purchase of land for the provision of stopways at both ends of the paved runway as extended, and for the diversion of the A538 Altrincham to Wilmslow Road, which would otherwise have been only 80 yards away from the end of the proposed extension. The Committee recommended that the initial work should involve the runway extension and the construction of new taxi-tracks within the airport boundary, with the existing runway and taxi-tracks being strengthened at the same time. The Ministry of Transport and Civil Aviation agreed immediately to the strengthening of the runway which was completed by 1956 at a cost of £87,334. Within a year, the Corporation had acquired sufficient land to allow for the construction of the 200 feet of stopway at the south westerly end of the main runway extension. Approximately 26 acres of land still needed to be compulsorily purchased for the provision of the 900 foot stopway and 200 foot clearway at the north easterly end. This was a matter of urgency as without this land work on the runway extension could not proceed. Whilst the proposed additional length of runway would allow aircraft to take-off the full length in a north easterly direction and land the full length in a south westerly direction, the road diversion was required to allow the extended runway to become fully operational and to allow the remainder of construction work to be completed. (50)

As the Corporation sought to rapidly execute plans for the runway improvement, modifications were needed in the light of changing requirements. In October 1956, the Airport Committee had been informed that BOAC were seeking consent from the Ministry of Transport and Civil

Aviation to purchase "Boeing 707" aircraft capable of carrying 144 passengers, for use on their trans-Atlantic services by the early 1960s. It was expected that these and DC-8s would practically monopolise the North Atlantic traffic. The original plan to divert the A538 allowed for future extension of the runway to a maximum of 8,700 feet but precluded extension beyond this. To cope with the new aircraft and to ensure that the existence of the road would not present a barrier to future runway extension, the Airport Committee contemplated an alternative scheme for diversion through a tunnel beneath the runway. When this scheme was placed before the Ministry, a compromise was proposed to allow the present runway extension to proceed. This temporary scheme to operate for two years, involved the closure of the road at a point where the new taxi-way was met. Traffic was diverted onto the taxi-way, crossing the run-up area and rejoining the A538 at the end of the extended runway. (51)

By 23 April, 1958 the main runway extension had become operational and "Boeing 707" aircraft were operating through Ringway. However, it was found that the strengthening of the runway carried out in 1956 was unsatisfactory. The strengthening had involved an asphalt overlay which showed poor friction characteristics in wet weather. To overcome the problem, shallow grooves were cut in the asphalt surface by Constructex Limited of Byfleet, Surrey, the only firm in the country which had the equipment to do so. In addition, it was found that the main runway held water in wet weather requiring a 500 foot paved extension of the runway. This was provided in 1961 by overslabbing the first 500 foot of stopway at the north east end in concrete. (52)

The 1960s represented a decade involving the execution of a major runway extension programme designed to facilitate long-haul jet operations, allowing maximum weight take-off on trans-Atlantic stages without the need to refuel at Prestwick or Shannon airports. Extensions included 400 feet at the north easterly end of the main runway, 1965; 1,100 feet to the south west extending over the Altrincham to Wilmslow Road which was diverted in a tunnel and a further 200 feet at the north easterly end completed in 1969. (53) With the introduction of "Boeing 747"s to long-haul operations in the 1970s, further runway improvements were necessitated. To cope with these large jets the runway was widened from its existing 150 feet by the addition of 25 foot hard shoulders and it was improved and extended

to an overall length of 3,048 metres to allow long-haul services to operate to Australia and the Far East without weight penalty. The 800 foot extension was completed in 1982 following strengthening and re-profiling. Civil engineering works involved the diversion of the River Bollin and the filling of the valley to a depth of 82 feet. In order to maximise the benefits of the extension, a new link taxi-way was constructed linking the runway with terminal facilities (54).

Whilst extensive operational improvements were made to airport facilities in the 1970s and 1980s, undoubtedly, from the planning point of view, the most difficult period had been the two decades following the end of the Second World War which had involved considerable uncertainty regarding the operational requirements of the new jet aircraft which were introduced. The operation of these new aircraft created the need not only for longer runways but also more extensive terminal facilities. For example, the payload of the "DC-8" and "Boeing 707" jets was almost twice that of the piston-engined aircraft which they replaced. (55) Also, the influence of war time experience on civil flying was apparent in the increased demand for air travel which meant that by 1949, the pre war terminal building had already become inadequate. Whilst long term plans for terminal development were being drawn up, as a temporary measure the Eastern Annexe of the Volunteer Reserve hangar erected in war time was adapted for passenger handling. (56) It can be seen from Figure 2.2 that this hangar (number 6) and the linked RAF building, identified as Arrival and Departure Station, were conveniently sited close to the main runway, for this purpose.

As early as March 1953, consideration was being given to the erection of a new terminal building and control tower, a new apron associated with this building and a new fire station. The existing terminal apron of 153,000 square feet had been constructed by the Corporation for the Air Ministry in war time and had been extended when passenger handling facilities were transferred to the Eastern Annexe of the Volunteer Reserve hangar in April 1949. Initial plans were drawn up for the construction of an apron of 850,000 square feet. However, the uncertainty of traffic requirements once again meant that short term measures had to be taken whilst planning for the future. A technical study carried out in 1954 suggested that given the expected frequency of services and the type of aircraft to be used over the next

two years, there was a need to extend the apron to provide an extra 200,000 square feet as a matter of urgency. To complete the scheme by July 1954, the Airport Committee recommended that the City Surveyor carry out the work using direct labour. (57)

The City Architect prepared a number of preliminary schemes for the erection of a new terminal building. The choice of sites for a new building was severely restricted by the need to minimise the demolition of existing buildings, whilst ensuring that the landing area was not encroached upon to such an extent as to constitute a fixed obstruction. The terminal building could, therefore, only be provided on a triangular site lying west of the existing passenger handling facilities. This involved the demolition or removal of the initial buildings and control tower, erected in 1938, three hangars, the existing fire station, the Airport Department's workshop, office and store, the Airport Director's house, the refreshment hut in the public enclosure, various farm buildings, the electricity sub-station and 28 other small buildings and structures. In addition, the project involved the diversion of services such as overhead telephone cables and underground GPO lines, overhead power lines, underground electricity cables, the water supply, etc, and the diversion of Yew Tree Lane. (58)

The major concern of airport officials was the need to cater for the level of transit passengers which could be generated in the future and which was largely dependent upon the major policy decisions of airline operators and the Ministry of Transport and Civil Aviation. Therefore, building design incorporated provision for extension in the event of air traffic increasing beyond the forecasts predicted for the next ten years. It was decided that the requirements at Manchester Airport could best be satisfied by a solution in which aircraft stands were located on either side of two piers, one for international and the other for domestic traffic projecting into the apron from the terminal building. Passenger flow and baggage flow were completely separated, with the two movements taking place on two separate floors; sightseers and passengers were similarly separated and an unrestricted view of the apron from all passenger waiting rooms and restaurants on the airfield side was provided. A common concourse for passengers and friends with concessions and all other amenities was included in the development. (59)

This scheme, submitted to the Ministry in December 1954, was estimated to involve a capital expenditure of £2,772,310 - a sum which the Ministry felt to be unjustified in view of the amounts proposed to be spent on Ministry airports at Glasgow, Prestwick and Edinburgh. An alternative scheme was proposed involving a separate control tower near the intersection of the runways on the airfield and separate buildings for the handling of freight. However, the City Council was of the opinion that no substantial reduction in cost would accrue from the adoption of this scheme which failed to fulfil all of the essential principles outlined above. Nevertheless, the City Architect and Airport Director were prompted to ascertain the absolute minimum requirements for a terminal building without prejudicing future expansion. The original scheme was modified to provide 183,126 square feet of floor area as opposed to 239,209 square feet, reducing the total estimated costs to £2,159,716. (60)

Further cost reductions were proposed by the elimination of ramped roadways for the arrival and departure of passengers at the first floor level and the provision of escalators from and to the ground floor entrance and exit, reducing the cost of the scheme to £1,987,000. (61) However, before the amended scheme could be developed, further modifications were necessitated by the introduction of a new requirement that the control tower should afford a view of taxi-ways as well as runways. Thus the height of the control tower needed to be increased from 80 feet to 130 feet. Another requirement that the Radar Room be adjacent to the control room meant that the tower had to be enlarged as well as heightened. It was decided by the Airport Committee that although in excess of immediate requirements, the central core should be surrounded by office accommodation as it seemed impractical and uneconomical to omit this intermediate area when constructing the tower. (62)

Plans for the terminal apron also required modification in the light of updated traffic forecasts. As suggested in 1953 a terminal apron of 850,000 square feet had been proposed. The technical study carried out in 1954 which investigated traffic projections to 1963, had suggested the need for 20 aircraft standings. However, as the terminal building project developed, it was found that the original proposal of 850,000 square feet would be too small to accommodate 20 stands, 10 around the international pier and 10 around the domestic pier of the terminal

building, so estimates were compiled for an apron of 146,000 square yards. These apron modifications, coupled with the new requirements of the Ministry, had the effect of increasing the capital cost of the terminal scheme to £2,157,345 an increase in costs of 7% since July 1955. (63)

By October 1957, work had commenced on the foundations for the new terminal building, but as construction progressed, proposals were constantly modified further. The Ministry of Transport and Civil Aviation found that more space was required for the Telecommunications Equipment Room and Technical Store, and as these needed to be provided next to each other, at ground floor level, it meant that they could no longer be accommodated within the control tower and domestic wing of the terminal building as planned. The Airport Committee, therefore, proposed an extension wing from the control tower, two storeys high, which could be extended to eight storeys in the future, increasing costs by £28,350. (64) Consequent upon a review of expected traffic carried out in 1957, the proposals for the terminal apron were modified to provide 185,000 square yards providing five parking spaces on the western side of the international pier, capable of handling jet aircraft and a total of 26 standings in all. (65) By 1959 the plans for the terminal building involved a floor area of 240,000 square feet excluding piers. Whereas in 1954 the Ministry had required 9,610 square feet of accommodation, in the interim, their needs had increased to 15,830 square feet. (66)

Despite having to cope with constantly changing requirements, development work was in hand on the superstructure of Phase I of the terminal building, consisting of the control tower and domestic flights wing, by December 1959. The superstructure of Phase II was the subject of a separate contract providing the provision of a traffic and baggage wing, concourse, Customs and restaurant wing, flight piers, etc. By April 1960, the structural steelwork for Phase I was sufficiently advanced for the City Architect to tender for the completion of Phase II. R Costain and Sons (Liverpool) Limited, the main contractors for both phases of the terminal building, undertook to complete by March 1962, but unforeseen circumstances meant that Phase I could not be completed to schedule. By November 1960, the estimated total cost of the scheme, excluding apron or roads, paved areas or original car park, had risen to £2,510,216. (67) Finally after nine years of planning,

updating and modification, the new terminal building at Manchester Airport opened on 22 October 1962 and became operational on 3 December 1962. (68)

As planned, a terminal building capable of extension had been constructed and before the end of the decade, interim arrangements were being made to handle "Boeing 747s" which were to operate on future long haul routes, the international apron was widened by 40 feet and the Customs Baggage Hall and baggage handling area were modified to facilitate the unloading of "Boeing 747" type containers. (69) In 1969, George Harvey, ex-Airport Director, now consultant to the Airport, compiled a report outlining the requirements for passenger terminal development up to 1982, given that the "Boeing 747"s which BOAC intended to use on their trans-Atlantic service from 1973 were 50% larger in size, more than twice the weight and had double the capacity of the largest civil aircraft in use at the time. (70) The proposed development plan involved three stages. Firstly the extension at the first and second floor levels by 30 feet of the southern frontage of the existing terminal building. The other three phases of the scheme included an additional inter-continental pier to accommodate 1,600 passengers in lounges, with stands capable of taking four aircraft of the "Boeing 747" type and one of the "Boeing 707" type at one time, or seven of the smaller "Boeing 707"s. A moving traveller and air bridges were to link the pier directly with the aircraft. (71)

The next stage of development involved the construction of a car park block of 13 levels, providing 2,500 car parking spaces, adjacent to the terminal building. The car park block was to include a new booking hall, immigration hall and offices, an international baggage claim and customs hall with offices adjacent and an international arrivals hall. Finally, the existing Customs Hall was to be converted into an extension of the concourse, also enlarging the existing international and transit lounge. Engineering works related to this terminal development included site investigation, main sewer diversion, the construction of circulation roads and elevated road structures and the construction of an apron and taxiway associated with the new long haul pier. (72) The tentative estimate of the capital cost involved in this scheme, based on superficial area or cubic content of the structure and making general provision only for complexity of design, methods of construction, the use of specific materials or plant, the

quality of finish and the additional cost of carrying the fundamental re-development whilst the airport was in full 24 hour operation was £5,091,000. (73) The entire project, including the new international pier and new booking hall with 34 check-in desks and an ultimate capacity of 48, was completed early in 1974, the terminal extension officially opening in March of that year. (74) From the initial planning stage, within five years the capacity of buildings had been doubled to five million passengers per annum. (75) Figures 2.3a and b depicting the changing layout of the airport illustrate the way in which the terminal building, completed in 1962, was extended.

In effect, the terminal building designed in the early 1950s had seen the airport through the decades of rapidly changing aircraft design which had demanded adjustment to cope with larger numbers of passengers passing through the airport at any one time. The same generally applies to the runway extension programme planned in the 1950s and executed in the following decade. In essence, the planning and provision of facilities ahead of demand meant that further consideration of future development requirements did not become necessary until the early 1980s and even then development proposals catering for aircraft and passengers generally involved only the extension of existing facilities.

Finally, in catering for the requirements of freight traffic, adaptation of existing facilities tended to be the key note of development. In the early 1950s office and storage accommodation for freight had been provided in the western annexe of hangar number six with a floor area of 12,600 square feet. When planning the new terminal building, in 1957 the Airport Committee had envisaged accommodation for freight handling being provided on the ground floor of the building. However, by 1959, the need for additional accommodation had become pressing. It was, therefore, decided that hangar number seven should be utilised because, although road access was not wholly satisfactory, it was immediately available for conversion to cope with the increase in freight traffic and it was in close proximity to Building Eight (shown as Administrative Block in Figure 2.2) where Customs facilities were housed along with the offices of some freight agents. The scheme for adapting hangar number seven for use as a freight warehouse, bonded transit accommodation and offices in 1959 initially involved the structural alteration of an area

of 46,044 square feet. (76) However, airline operators, freight agents and Customs and Excise increased their original requirements within the year necessitating preparation of a revised scheme to cater for 64,472 square feet, an increase of 40%. (77) The completed freight depot was finally brought into use in the early part of 1962. Throughout the 1960s, growth in freight traffic continued to be accommodated by structural adaptations to existing hangars. In 1970, the introduction of a "Common Import Bond" where imports were received into a common transit shed area and dealt with by a single handler, British European Airways, rather than 40 different freight agents, assisted the rationalisation of the process of Customs clearance. By 1971, with expected growth into the 1980s, consideration was being given to the long term planning of a dedicated facility. (78) A phased development of facilities was recommended with the airport administration planning and acquiring land to cope with throughput expected in 1985.

A site was provisionally allocated to the north west of the passenger terminal offering good access to the future M56 and conveniently placed for existing aircraft taxi-ways. The majority of land for development was already in Corporation ownership, and the scheme proposed, involving separate airside and landside facilities, offered other advantages. The scope for any change in airline and freight agents was maximised by this arrangement and the scheme could more readily accept changes in the pattern of cargo handling, such as the increased use of unit load devices. Faced with a subsequent downturn in air cargo traffic, planning continued, but on the lines of a much reduced development to give a terminal capacity of about 175,000 to 200,000 tons per annum by 1985 rather than the 400,000 tons originally envisaged. In the meantime, warehouse accommodation provided in hangars was improved by the addition of 20,000 square feet. (79)

Having embarked upon plans to allow Manchester to take advantage of the buoyancy in the British civil air transport industry which occurred in the post-war years, the initial adaptation of war time facilities was followed by an investment programme which by 1962 equipped the Airport to service the largest aircraft of the day. Manchester was the first European airport to incorporate two piers, the domestic pier being 720 feet long with a capability of handling nine aircraft and the international pier being 960 feet long with facilities for 11 aircraft.

The runway extension programme had complemented these developments.

The provision of facilities ahead of demand contributed to the attraction of Manchester Airport especially for international air services. By the late 1970s, airports like Birmingham were already suffering congestion in terminal areas despite a relatively low level of passenger throughput. (80) Similarly, at Leeds/Bradford the range of aircraft which could use the airport was seriously constrained by limited runway length. Not only was the establishment of long haul services curtailed but short haul charter and scheduled operators may have similarly been forced to use Manchester because of this limitation. (81) To a great degree, Liverpool Airport likewise reaped the harvest of a 7,500 foot runway by the 1970s and a terminal building which had been constructed in 1939. (82) Figures 2.4 a - c depict the layouts of these competing airports by the early 1980s, adequately demonstrating the contrast with facilities at Manchester Airport by this time.

2.3 TRAFFIC

(a) The period up to 1939

The first ever powered, sustained and controlled aeroplane flight was made by Orville Wright in December 1903, but prior to the First World War transport by air was viewed with great public scepticism. When the Manchester Guardian considered the potential of air transport, it was pronounced on 11 September 1908 that it could not envisage "to what practical use a flying machine that is heavier than air can be put." The war years demonstrated the possibilities of the use of air transport in armed conflict, and this experience altered many of the negative views which had been held in preceding years. Referring to the Manchester Guardian again, a fundamentally different view was expressed on 13 December 1918 when the editors advocated that Manchester should become the main centre for flying outside London.

Civil flying was permitted from 1 May 1919 and the transportation of passengers and freight across national borders began in that year with the establishment of the first commercial air service between London and Paris. (83) Pleasure flights were offered to the British public soon after the war, with professional pilots flying war-time aircraft which could be operated from small fields temporarily licensed by the Air Ministry. Generally, civil air transport at this time took the

form of private flying and flight by newly established flying clubs. (84) In Manchester, the "Avro Transport Company" was formed and this was followed by the setting up of joy riding centres at Alexandra Park in the summer of 1919. On 6 May 1919, Blackpool Council were granted authority for a Manchester - Southport - Blackpool air service which was inaugurated on 26 May. This was the first sustained scheduled domestic air service but it was short lived, operating for only 18 weeks. Whilst such experiments in the development of internal air services took place, two Manchester men, John Alcock and Arthur Whitten-Brown, presaged the inter-continental routes of later years, flying a "Vickers Vimy" nearly 2,000 miles across the Atlantic in June 1919, completing the first ever direct trans-Atlantic flight. Some four months later, a rail strike prompted a Government organised air mail service between London and the major cities in the provinces. Mail was flown between Manchester and London and distributed by the "Manchester Circuit". (85)

The first significant attempt to operate international air services on a commercial scale from Manchester was recorded in 1922 and involved a company called "Daimler Airway Limited", a subsidiary of "Daimler Hire Limited", which had been allocated a maximum subsidy of £55,000 a year to operate a service between Manchester and London and on to Amsterdam, Hamburg and Berlin. The Manchester to London service was opened on 23 October 1922 and it was expected to carry nine passengers from Manchester at a fare of £2 3s 0d. The scheduled time for the flight to Amsterdam was four hours. On 30 April the first aircraft to make a through journey from Manchester to Berlin left Alexandra Park. However, within the year, the service had to be withdrawn and proposals for a service to Zurich were also shelved in the light of limited support. Subsequently, experimental flights to establish an air mail service between Plymouth, Birmingham, Manchester and Belfast were made in 1923, but despite the efforts of the "De Havilland Company", and its pilots, Alan Cobham and Hubert Broad, it did not progress beyond the experimental stage. (86)

The major problem retarding development in these early years was the technical performance of British aeroplanes and in this respect, the development of the British aircraft manufacturing industry during the war was a negative influence. On short-haul internal routes, air services were uncompetitive with the relatively efficient rail and road

network over land. The Handley-Page bi-planes of the time cruised at a speed of 70 to 80 miles per hour, but with a 40 mile per hour head wind, the ground speed dropped to 30 to 40 miles per hour, slower than the express trains of the day. The limited range of aircraft necessitating re-fuelling stops, further lengthened air journeys. In 1925, a suitable aeroplane had been produced in the UK, capable of seating two people with a 75 horse power engine. These light aircraft were being marketed in quantity for civil use but their application was generally limited to air-taxi work, the main contractors of which were newspaper proprietors and press agencies. With the large numbers of surplus war-time aircraft available, little encouragement was given to the production of a machine appropriate for wider commercial application. The lack of suitable economic purpose built passenger aeroplanes was compounded by the lack of radio aids particularly in adverse weather conditions. (87)

In contrast to the British experience, the 1920s was a decade of great strides in civil air transport in Europe. In 1920 only 6,000 miles of route had been flown, but by 1926, this had increased three fold. Statistics suggest that to a limited degree, the British civil air transport industry shared in this growth. In 1925, 20,721 passengers were flown between Britain and the Continent, increasing to 25,524 in 1926 and 28,764 in 1927. The value of freight transported by air in the same period was as shown in Table 2.1.

By 1927, the British "Imperial Airways" combine was operating between London and Paris, Basle, Zurich, Ostend, Brussels and Cologne. (88) However, in the same year, some 25 million miles were flown on organised air routes worldwide. Germany and the USA accounted for 12 million miles, whilst the UK could claim only 1.5 million miles. (89) Addressing both internal and international traffic, the relatively inferior position of the UK civil air transport industry is adequately demonstrated in Table 2.2.

The USA constitutes a special case in that long distances without international complications were being exploited, but also in Europe flight within and across national boundaries was being extended. France was developing principal routes through Central Europe to Constantinople; through Southern Europe to Syria and the Far East; through Spain and West Africa to South America; through Spain to the Sahara and from the Congo to Madagascar. France also ran many European

services, for example Paris to Berlin and to London. Germany could boast extensive European services branching into Russia in the North and downwards to South America. (90)

As suggested, the British civil air transport industry continued to lack support, and this is further demonstrated by experience with air mail, where it was found that considerable distances had to be involved before air transport was regarded as a viable proposition. Journey time was a significant factor in the retardation of development. For example, despite the regularity of and low rates applying to the London - Paris service, the amount of air mail carried on the route remained small. Conversely, services from Egypt to Iraq and later, to India, carried a high proportion of letter mail as they offered a saving of some five to eight days on the alternative means of carriage. As for incoming American Mails, an Air Mails Committee (Cmd 2038) had reported that apart from interruptions due to weather conditions, the time of arrival of mails at the European port was so irregular that the employment of air transport was found to offer no advantage in the case of 50% of the arrivals. (91)

The disparity regarding the development of internal air routes is striking and in accounting for this a report on "The Progress of British Civil Aviation", published in 1927, envisaged that air services "would not be of any great magnitude in the foreseeable future" given the "efficient rail communication" servicing Britain. For Irish traffic, it was suggested that any demand for air services would be adequately met by "sea 'planes", as it was uneconomic to use three-engined aeroplanes which would be necessary to make the sea crossing without fear of breakdown or forced landing. (92)

In assessing the early experience of air transport in Manchester, it is suggested that in terms of potential demand for air services, the City was in a more advantageous position than many other provincial centres in the country, given its role as a commercial and business centre. In the returns for the Provincial Bank Clearing Houses, Manchester registered returns of £681,307,000 in 1928, followed by Liverpool with £426,735,000; the returns of the city of Birmingham amounted to £137,295,000. The relatively prosperous North West contrasted with the poorer North East and South West centres of Newcastle, Bradford and Bristol recording £75,834,000, £68,609,000 and £62,638,000 respectively. The Customs Port of Manchester extended from

a point almost immediately East of the City of Liverpool and ranked third in the country in terms of the value of imports and exports handled in 1928. (93) The area around Oldham, Bury, Bolton and Rochdale represented a centre of "spinning" whilst Leigh, Atherton and Tyldesley constituted an area where the coal and chemical industries predominated. Demographic change in these areas was important in assessing the potential market for air services in the 1920s. In the decade 1901 to 1911, Britain had experienced a natural increase in population and in South East Lancashire population had expanded because of a continuing process of industrial growth and the accompanying concentration of labour. In the decade 1911 to 1921, the rate of natural increase for the country as a whole had declined as a result of declining birth rates and war deaths. In this period the rate of out-migration in South East Lancashire was greater than that for the country as a whole because of the contraction of the textiles and clothing industries. In the slump of 1920-21, with the effects of severe unemployment, the rate of out-migration recorded in the area was 2.2%. However, in the years 1921 - 1931, the trend was somewhat reversed. Although the rate of natural population increase for South East Lancashire was below the national figure, the rate of out-migration had declined to 0.2% as compared with a national average of 1.5%. (94)

Although economic instability followed by partial recovery, the coal strike and the Great Slump of 1930-31 had resulted in declining exports for the area, Manchester still remained a large centre of population. Within a 25 mile radius of the centre of Manchester, the population was 4.3 million, contrasting with 1.0 million around Bristol and 698,000 around Hull. (95) However, despite being situated in one of the most densely populated areas of the country, the City confronted the dilemma of attracting the business to justify the existence of airport facilities. Experience at the temporary aerodrome at Wythenshawe did not augur well for the future. In the first three months of operation, 97 aircraft arrivals and departures were recorded carrying only 108 passengers, of which eight were classified as having origins or destinations abroad. In July, 84 aircraft movements carried only 48 passengers. By October, following the summer peak, throughput had declined to 51 aircraft movements carrying 21 passengers. (96) By 26 October 1929, Northern Air Lines Limited which had been operating air-

taxi services from Wythenshawe were considering the transfer of their operation to the newly proposed aerodrome at Liverpool. John Leeming, the co-director of the Company asserted that "the commercial flying needs of Manchester could be supplied by one small Moth." (97)

As previously suggested, the temporary aerodrome at Wythenshawe continued to operate until the Barton Airport opened in January 1930. By May of the same year, arrangements were being made for a direct connection by air between some of the principal towns in Britain and 21 destinations on the Continent via Croydon. Imperial Airways Limited proposed to run a service thrice weekly as an experiment for three months, between Liverpool, Manchester, Birmingham, Croydon and Paris or Cologne, using 16 seater Handley-Page Rolls Royce airliners. The three City Councils involved on this side of the Channel agreed to provide grants-in-aid of £1,000 each to Imperial Airways. Two other airlines, KLM, the Royal Dutch Airline and Sabena, the Belgian airline, were to be involved in providing connections between Croydon and various towns and cities on the Continent. (98) The service was operated from 16 June 1930 to 20 September 1930. During this period, 543 paying passengers were carried along with 1,197 pounds of freight; 205 passengers and 962 pounds of freight passed through the Manchester stage. The bulk of freight, 687 pounds, was for transport between Manchester and London. (99) Gross revenue for the London - Birmingham - Manchester - Liverpool leg was £1,056; £1,027 being taken in passenger fares; £12 in excess baggage and £17 in freight receipts. (100) Although throughput exceeded anything that had gone before, the object of the service, that is, a rapid connection between the Provinces and the Continent was not achieved. Continental traffic was only about 5% of the total and all of this traffic was to and from Paris. In the transportation of freight, little advantage had accrued to shippers importing because the service operated on alternate days only. Clearance through Customs procedures at Croydon, prior to trans-shipment inland, meant that there was no immediate connection for goods imported to the Provinces. (101)

The general depression in trade would have affected the demand for air travel like any other class of transport, but in their analysis, Imperial Airways concluded that frequency of service had been the major factor in limiting traffic. The Company maintained that no service between highly populated areas would succeed in attracting the

anticipated traffic if it were operated less than once a day in each direction. It was suggested that had the service been operated daily, traffic would have more than doubled. The corollary of this was the need for lower capacity aircraft to reduce running costs; the load factor on the route suggested that the use of 12 to 18 seater aircraft would not be justified for some time to come. (102) Whereas in 1927, 14 seater aircraft had been used on the London - Paris route only, in subsequent years experimentation using these aircraft on other routes increasingly suggested the need for a fast, efficient, commercial medium sized aircraft offering better performance and accommodation and the possibility of a more frequent service. (103) Whilst the Barton Airport in its first year of operation recorded a total of 2,056 aircraft movements, excluding "joy flights", (Northern Air Lines accounting for 746; "Air Taxis" 221 and Imperial Airways 156), the bulk of aircraft movements continued to be occasional visitors and private flying by resident aircraft. (104) By October 1933, there was still no evidence of any airline operating regularly from the aerodrome and as suggested in the previous section, it became increasingly clear that the lack of adequate facilities at Manchester's airport was becoming a pressing problem as new aircraft designs evolved. The dilemma for airport authorities was adequately summed up by the Superintendent of the Board of "Railway Air Services", (a company formed by the four mainline railway companies of the time and "Imperial Airways", registered in March 1934 with the declared objective of operating regular and reliable internal air services). In the three months, August to October 1934, the Company had made 193 landings at Barton Airport, carrying a total of 320 passengers and 3,083 pounds of freight and mail. In accounting for the lack of progress the inadequacy of existing facilities to cope with a new breed of fast commercial aircraft coming into increasing use was highlighted. As more airline operators opted for high speed aircraft, flying which had been regarded as a sport a few years earlier, became a more regular form of conveyance for the businessman and thus airport authorities were faced with increasing demand for all-weather operations and the problem of catering for new aircraft design at the same time. (105)

As suggested in the previous section, the response of the City of Manchester to the challenge before it was to seek alternative airport facilities. Given the potential for growth in the late 1930s, it may

be argued that this had been a prudent decision. In the second half of the decade, the British civil air transport industry underwent a process of "catching up" in the international market. In 1933, the industry had carried 79,070 passengers as compared with 123,036 in Germany. However, a pattern of growth was firmly established in the following years with passenger throughput increasing to 200,000 in 1935 (comparable to Germany's 209,875) and 244,400 in 1937. By 1937 the route mileage flown by UK air transport companies also compared favourably with Germany (26,679 route miles as compared with Germany's 25,968); the aircraft miles flown by Germany and Britain in the same year were also more or less the same, at about ten million miles each. (106)

In the five years, 1933 to 1937, the amount of goods carried by air had increased from 741 tons to 2,353 tons, an increase of 218%. In terms of the weight of letter mail despatched by air to Europe, an important development had been the application of the "all-up" principle already established on inland services, whereby First Class mail (letters and post cards) could be despatched by air at the ordinary rate of international postage without surcharge. As a result, in 1936 alone the weight of letter mail despatched by air to Europe increased by 179%. (107)

By 1936, Imperial Airways had opened new branch lines to West Africa and Hong Kong, so by this time, the Empire routes served included London to Brisbane, Penang - Saigon - Tourane - Hong Kong, London to Johannesburg and Khartoum to West Africa. The European routes flown by Imperial Airways were from London to Paris; Paris - Marseilles - Rome - Brindisi; Basle and Zurich; Brussels and Cologne; and Cologne-Halle/Leipzig - Prague - Vienna - Budapest. (108) Developments had also taken place in the internal market with route mileage increasing markedly in 1935 to 5,810 miles as compared with 3,265 route miles operating in 1934. Aircraft mileage on internal routes had increased by 95% and the number of passengers handled had increased from 72,441 to 121,559. Freight and mail tonnage carried on internal routes had more than doubled in the same period. (109) To some extent, despite its limitations, the Barton Airport shared in this early growth of internal air services, as borne out by the traffic statistics detailed in Table 2.3.

By 1937, Blackpool and West Coast Air Services Limited operated a

service between Manchester, Liverpool, Blackpool and the Isle of Man, twice daily on weekdays, until the company was taken over by Isle of Man Air Services Limited on 27 September 1937. Railway Air Services Limited operated a number of services between Leeds, Manchester and the Isle of Man via Liverpool or Blackpool in the summer months; the routes flown by the Manx Airway Section of Railway Air Services being taken over by Isle of Man Air Services on 27 September. The routes flown by Isle of Man Air Services included Manchester - Liverpool - Blackpool - Isle of Man - Belfast - Glasgow once on Sundays; Manchester - Liverpool - Blackpool - Isle of Man twice daily on weekdays; Manchester - Liverpool once daily on weekdays and Liverpool - Isle of Man - Belfast once daily on weekdays. North Eastern Airways Limited operated a Grimsby - Hull - Doncaster - Manchester route twice daily on weekdays, later extended to Liverpool and operated once daily on weekdays and a Doncaster - Manchester service also operated once daily on weekdays.

(110) Although growth was experienced it is important to note that many of these routes were under-utilised reflecting the fact that the most successful domestic routes on a national scale continued to be those drawing their traffic from one or more mainland aerodromes crossing stretches of water and showing the most marked advantages in convenience and speed over ships. Generally, it was still the case that air services when competing with good rail services were slower than the fastest trains on stages of less than 100 miles. (111) Major airlines, such as British Airways Limited, tended to concentrate their efforts on the development of routes involving a sea crossing such as London to Ryde and on to Cowes; Liverpool to Blackpool extending to the Isle of Man and Liverpool to Belfast and Glasgow. (112)

The fact that air transport was relatively inferior to surface transport over land was reflected in the status of airports operating outside London in 1936, with coastal airports accounting for the lion's share of air traffic. Portsmouth was the largest, handling 25,385 passengers in that year, followed by Southampton with 24,606. These two airports alone accounted for 44% of the passenger traffic generated outside London. Liverpool was the next largest airport, handling 16,038 passengers. An important development in the 1930s had been the institution of regular air services from England to the Channel Islands. Jersey Airways were operating a Southampton - Jersey service and a Plymouth to Jersey service. Portsmouth, Southsea and Isle of

Wight Aviation Limited were operating between Southampton, Ryde and Cowes with a Portsmouth to Ryde service every 20 minutes. (113)

In 1936, the largest tonnage of freight and mail handled outside London was recorded at Liverpool with 73.7 tons of freight and 213 tons of mail, representing 35% and 55% respectively of the total tonnage outside London. In terms of mail throughput, Liverpool was gaining advantage from the establishment of inland mail services operating from London to Liverpool, Glasgow and Belfast. (114) In 1937, Southampton became an important distribution point for freight and mail outside London, handling 370 tons of freight and 517 tons of mail or 57% of the freight traffic and 45% of the traffic in mail, generated outside the Capital airports of Croydon, Gatwick and Heston. The Isle of Man also handled some 9% of freight from the regions and 13% of mail throughput, whilst Liverpool's throughput had declined relatively to 11% and 22% respectively. It should be noted, however, that this situation did not reflect an absolute decline in the status of Liverpool, but an absolute increase in the overall throughput of freight and mail handled outside the Capital. In contrast, the Barton Airport at Manchester had little part to play in this expansion, handling only approximately 21 tons of freight and mail in 1936 and 16 tons in 1937. Whilst airports in the provinces situated on the coast experienced growth generated by routes involving a sea crossing, the only European route operating out of a provincial airport in 1937 was the Royal Dutch Airlines' Liverpool-Doncaster - Amsterdam service. In general, as continental routes from the provinces were limited, London accounted for the lion's share of traffic, handling 49% of passengers, 45% of mail and 78% of freight passing through the UK airports in 1937. (115)

The dominance of London in the civil air transport network, coupled with the relative success of overseas routes, offered little immediate prospect of the early establishment of scheduled air services from the newly opened Manchester airport at Ringway. But in the long term the area which Ringway Airport was expected to serve continued to be relatively prosperous - suggesting a ready market as and when technical developments in aircraft design made air transport more economical and convenient. The depression in trade experienced in the 1930s, coupled with the decline of prices, profits and interest rates, was manifested in a reduction in Bank Clearing House returns from more than £681 million in 1928 to £566 million in 1937. However, Manchester was still

relatively more prosperous than other regions. £566 million represented nearly 30% of the national total outside London and exceeded the aggregate of the next three most important centres of Liverpool, Birmingham and Newcastle-upon-Tyne. (116)

Within the South East Lancashire area, there were some indications of rising prosperity. The tonnage of freight processed through the Manchester Ship Canal had increased from 5,389,000 in 1933 to 7,053,000 in 1937. The Port of Manchester was still the centre of the manufacturing for Lancashire's cotton goods and in 1937, one million bales of raw cotton were imported through the Manchester Ship Canal. The Manchester Royal Exchange was the centre of the marketing and export of cotton manufactures and in 1937, yarn and cotton exports were still the most important commodity group in the country. Manchester was also the headquarters of the Co-operative movement with a turnover of £100 million in 1938. At the same time, new industries were clearly assuming an increasing importance in the economy. Of the 2,600 members of the Manchester Chamber of Commerce, only half were involved in the cotton trade, the other half comprising firms engaged in engineering, (an activity in which Manchester could claim to be the largest centre in the country) and chemical manufacture, the export of which from the Greater Manchester area exceeded that of any other area of the country. (117) In 1929, the textile industry had been the largest single employer with a total workforce of 116,501 making up 20.1% of the insured population. By the end of the 1930s, the numbers employed in textiles had declined to 91,198 representing a drop of 22%. In the same period, the distributive trades had advanced from 88,998 workers to 107,447 an increase of 21% becoming the single largest group. Clothing trades and miscellaneous services also showed large increases in employment of 29.5% and 53.5% respectively. These movements represented the adaptation of the area to changes in the national economy, following the decline of the textile export industry, (accelerated by the slump and the policy of deliberate concentration designed to reduce capacity and output), and the subsequent recovery of prices and rise in the standard of living. With the new prosperity, the engineering and clothing trades expanded along with distribution and professional and other services. Between 1929 and 1939, the numbers employed in commerce, banking and insurance had doubled. So the local economy had changed from one dominated by textiles to one

where engineering, textiles, clothing, distribution and miscellaneous services were all significant employers of labour. (118)

As the structure of the economy diversified, so the nature of trade altered in a manner which could be potentially beneficial to air transport. In 1937, the export trade was dominated by manufactured and semi-manufactured goods, representing some 84% of the total value of exports handled. This export trade represented a potential market for the Ringway Airport, requiring a rapid transport service to deal with the more diversified products which were contained in large and small parcels rather than in ship-loads. Samples of clothing incorporating new designs had to be forwarded to a European market quickly and air transport could potentially satisfy the need for quick delivery of spare parts for mechanical, electrical and textile machinery. Small instruments, chemicals and drugs, rope and twine, paper, rubber manufactures, glassware and pottery might also be transported by air in considerable volume. Air transport could also cater for the "personal services" required in marketing such products as the volume of exports realised depended upon a quick appraisal of market requirements and a constant servicing of consumer areas by sales and technical staff. (119)

The Ringway Airport at Manchester opened on 25 July 1938. In the short period of operation prior to the outbreak of the Second World War (July 1938 to August 1939) the Airport handled 7,087 aircraft movements, carrying 7,625 passengers and 163,168 pounds of freight. Airline routes established during this limited period included services to Croydon, the Isle of Man, Glasgow, Bristol and Amsterdam. Operating companies included Railway Air Services using DH 86bs and Rapides. Isle of Man Air Services, Southampton Air Services and the Royal Dutch Airline, KLM using DC2s and Electras. (120) The establishment of a service to Amsterdam by KLM represented something of an early breakthrough into the continental market. A writer in the Liverpool Echo on 1 June 1939 contrasted the experience at Liverpool Airport with that at Ringway highlighting the fact that:

"The one operating line which did not enjoy any holiday support . . . [over the Whitsun break] . . . was KLM with its Amsterdam route connecting with other Continental cities, but KLM found ample compensation in the fact that Manchester provided 13 passengers on the Friday."

(b) The Early Post-War Years, 1946-1961

In the years immediately following the end of World War II, exports from the Manchester area continued to be dominated by manufactures with chemicals, iron and steel machinery, textiles and paper accounting for 62.6% of total exports of 2,004,897 tons. Primarily, the area still owed its prosperity largely to success in making and selling textile goods, engineering products and clothing, with a high degree of specialisation and concentration of labour in these industries. The percentage of the total insured population engaged in these industries was about twice that of Britain as a whole, accounting for about half of the working population when added to commercial and other services. (121)

In addition, the City of Manchester had become a press centre comparable to London and was developing as a centre for scientific and industrial research, notable for its activities in the field of medical research. Close business links were being established between the industrial units of the North West and West Riding and those of the USA and Canada. Much of the industrial development on the Trafford Park Industrial Estate, for example, involved American and Canadian interests eager to take advantage of the Western gateway to England and Europe. The fact that many companies were basing their offices in Manchester meant that increasingly directorate and managerial staffs were centring in Manchester and residing in North Cheshire, creating wealthy residential areas around Bowdon, Hale, Hale Barns, Knutsford, Prestbury, Wilmslow, Alderley Edge, Cheadle and Handforth. The bulk of industry centred on Manchester, with the whole of trans-Atlantic trade of the area passing through the ports of Manchester and Liverpool. Manchester was the nearest seaport for the cotton textile, silk and clothing industries of South East Lancashire, the woollen towns of West Yorkshire and the metallurgical centres of Sheffield and Chesterfield. (122)

Clearly then, it may be argued that given its geographical position, Ringway Airport's natural catchment area was extensive and therefore the airport was likely to assume a major role in the civil air transport industry as soon as air travel over land became a viable alternative to other means of transport. In many respects, the Second World War had been a great "forcing house" for aviation as benefits accrued from the technical advances that had been made primarily to secure military objectives. (123) Great progress had been made in the

design of airframes and engines, although for the efficient prosecution of war, the UK aircraft manufacturing industry had concentrated on the production of fighters and bombers to the virtual exclusion of transport aircraft. All-weather flying had been extended as a result of development in radio and radar during war-time. Great numbers of men had served in the flying services, providing a natural resource of recruitment for civil aviation after the war. Flying had ceased to be something outside the normal experience of "the man in the street" as tens of thousands of men and women had flown or been flown, and many more were familiar with the idea of flight as a consequence of having worked in aircraft factories and in the works of precision instrument makers. As suggested in the previous section, many aerodromes had been improved to cater for war-time requirements. (124)

The scale of the British effort in civil aviation from 1 August 1946, when war-time restrictions on the flight of civil aircraft were revoked, may be gauged by the fact that within seven months, not only were civil air services resumed between the United Kingdom and the nine European capitals of Paris, Oslo, Stockholm, Copenhagen, Brussels, Amsterdam, Rome, Athens and Helsinki, and between the UK and New York, but also the first regular British service to South America was inaugurated. In 1947, UK airlines carried a total of 586,500 passengers and 5,051 tons of freight on scheduled services as compared with 222,200 passengers and 2,527 tons of freight in 1938. In the same period, the number of passengers carried on internal routes had increased by two and a half times the 1938 figure of 147,700 and the number of people using air services to cross national boundaries had increased more than three times. (125) The rapid resumption of activity and the large demand for services which the experience of the war years had engendered were, in part, reflected at Manchester. In the 14 months, October 1946 to November 1947, Ringway Airport handled 33,022 passengers and 253,321 pounds of freight as compared with 7,625 passengers and 163,168 pounds of freight in the 14 months to August 1939. Although in absolute terms growth was registered, the scale of operation at Manchester remained quite small in comparison to other regional airports in 1947. For example, Speke Airport at Liverpool handled a total of 66,058 passengers, Ronaldsway, the Isle of Man airport, recorded 51,653 passengers and Nutts Corner in Belfast, 55,535. (126) However, the summer timetable offered from Ringway

Airport in 1948, as detailed in Table 2.4, suggests a significant improvement upon the regular air services which had been offered in the pre-war years, an improvement which was in great part due to the operations of foreign rather than UK airlines.

In addition to these passenger services all-cargo services operated from Manchester to Dublin to Liverpool and to London once a week. Whereas, in the pre-war era, the only continental airline operating out of Manchester had been KLM, a number of foreign airlines were now using the airport. KLM and Aer Lingus operated on the Amsterdam and Dublin routes, Air France operated to Paris and COBETA, the Belgian airline, operated the services between Manchester and Brussels and Lourdes. All other services were operated by British European Airways. (127)

During the early 1950s, British civil air transport was still in its infancy and the mean rate of growth in terminal passengers passing through UK airports of 18.6% in the period 1951-55 was in many respects typical of a new industry. (128) Civil air transport was generally absorbing traffic where it enjoyed a clear advantage due to the consolidation and extension of the changes in aircraft design which had been initiated during the Second World War. Whereas in the years immediately following the end of hostilities, the industry had been dependent upon war service aircraft such as the "Dakotas" or military types adapted for civil use like the "York" and "Lancastrian" (developed from the Lancaster Bomber) as the years progressed, a new generation of aircraft came increasingly into use. For example, British European Airways, Air France, Aer Lingus and Sabena used 21 seater DC-3s from Ringway; KLM used DC-3s and Convairs whilst Swissair operated DC-3s, Convairs and Skymasters. Many of these aircraft were capable of carrying three times as many passengers as those in use at the end of the Second World War. (129)

The total passenger traffic handled at Ringway Airport increased by 119% between 1949 and 1953, as the result of the greater popularity of air travel on existing routes and the introduction of new routes. However, as Table 2.5 indicates, increases were more marked for some routes than others.

As far as domestic traffic is concerned much of the expansion was due to the increased popularity of services to holiday destinations such as the Isle of Man and Channel Islands, as new operators introduced larger more comfortable aircraft whilst at the same time

increasing the frequency of service. Similar factors applied in the expansion by BEA of the London route where passengers carried more than doubled between 1952 and 1953. This service acted as a feeder for some short-haul journeys to the Continent where a direct service from Ringway was not provided because of low payload or where a greater frequency of service offered at the capital made interlining more attractive. In addition, the service fed long haul routes operated from London. As far as international routes are concerned, Manchester - Dublin was most popular with the number of passengers increasing by 59% between 1949 and 1953, following the trend in Irish emigration in the immediate post-war years. The more important continental routes registered growth rates of 82% to 133%. (130)

Significantly, as indicated by Table 2.6, the growth of passenger throughput in the early post-war years was greater at Ringway Airport than for the country as a whole and, therefore, a greater share of the civil air transport market was captured.

Undoubtedly, this was due in part to the effect of the more rapid development by BEA in 1952 and 1953 of internal air services of which the proportion taken by Ringway had a greater impact upon its smaller totals than increases in domestic services had upon national averages. (131) In addition, the development of the London route in particular, swelled traffic figures as Ringway became increasingly used as a "transit" airport. In 1951, 5,963 transit passengers had passed through Ringway compared with 14,818 two years later. (132)

Similarly, in the market for air freight, growth and expansion took place in the immediate post-war years, with the extension of scheduled passenger services and the development of dedicated freight services. As Table 2.7 indicates, in 1948 only 524 short tons of freight had been handled at Manchester Airport.

The primary origins and destinations of freight traffic were Dublin, Amsterdam, Liverpool, Belfast, London, the Isle of Man, Brussels, Paris and Zurich, carried by BEA, Air France, KLM, Sabena, Aer Lingus, Swissair and various charter companies. The type of goods handled was extensive, including machinery and machinery spares, motor car spares, shipping spares, agricultural machinery, tools, radar and electrical equipment, foodstuffs including soft fruits, clothing and "made up" cotton goods, textile designs and samples, medical supplies, umbrellas, biological specimens, confectionery, leather goods, boots and shoes,

wines and spirits, racing dogs, greyhounds, horses, cattle and various other animals for zoos and private collections. (133)

By 1953, the tonnage handled at Ringway was exceeded only by airports at London, Northolt, Lympne and Southampton and, of these, figures for Lympne and Southampton were swollen by the short cross channel transportation of motor cars in the holiday season. Manchester's share of the UK freight market increased from 3.5% in 1948 to nearly 6% of the total tonnage carried by air in 1953. However, again the bulk of traffic was destined for a limited number of centres. Reflecting trends for the UK as a whole approximately 70-75% of tonnage was for export, but over half this freight was carried on the Irish sea routes, especially to Dublin. Consignments consisted mainly of consumer durables in the main like radio sets, refrigerators, washing machines and a range of manufactured goods of high value and small bulk for which air transport over a short sea haul was particularly suitable, offering reduced packaging, insurance and handling costs and less risk of damage in trans-shipment. Much of the Irish import trade consisted of textiles sent for processing in the West Riding of Yorkshire and subsequently re-exported to Dublin, but the tonnage remained relatively small as a large part of the exports from Ireland at the time consisted of agricultural goods unsuitable for air transport. (134)

Freight carried on the London service consisted mainly of parcels of textiles for overseas destinations, where the principal advantage of speed was necessary and could be fully realised. The amount of freight carried from Manchester direct to foreign airports was small, reflecting the UK position in civil air transport where only some 2-2.75% of the total value of exports were sent by air in 1947-52. In essence, further growth depended upon the extent to which all-freight aircraft would be developed with greater payloads and lower operating cost per ton-mile. (135)

By the end of the 1950s, Manchester Airport had developed a fairly extensive network of air services operated by a number of airlines. BEA had joined KLM and Aer Lingus on the Amsterdam route; Aer Lingus had joined Sabena flying to Brussels; Sabena and BEA operated to Dublin in addition to Aer Lingus and KLM; and BEA, Aer Lingus and Swissair operated to Zurich. New scheduled services had been introduced to the Continent by BEA, flying to Barcelona, to Milan, to Palma and to Rome.

Independent operators became more heavily involved in domestic routes, for example, Cambrian flew routes between Manchester and Bristol and Manchester to Cardiff. The London route was developed with BEA and BOAC together operating 41 services per week in the summer months and 33 in winter. A new departure was the introduction of "Inclusive Tour" services to Dublin and a number of destinations on the Continent, like Basle, Beauvais, Bergen, Dusseldorf, Lourdes, Luxembourg, Nice, Ostend, Perpignan, Pisa, Saragossa, Stavanger and Valencia. (136) Perhaps the most striking development of the 1950s was, however, the introduction and expansion of trans-Atlantic services which began to set Ringway apart from airports of comparable size at Belfast and Glasgow for example, and placed it in the same league as the larger Prestwick Airport in Scotland.

The first trans-Atlantic service was introduced by Sabena, the Belgian airline on 28 October 1953, operating between Brussels, Manchester and New York. Over the next three years trans-Atlantic services were expanded with BOAC commencing a route between London, Manchester, Prestwick and New York and Lufthansa inaugurating new services to Montreal and Chicago. In addition to these new scheduled services, North American charter traffic was swollen by a large increase in emigrant traffic, the introduction of the "air coach holiday" and the movements of US military forces and families into and out of the UK and Europe. (137)

Between 1957 and 1961, the terminal passengers on trans-atlantic flights at Ringway increased from 11,907 to 26,903 representing an increase of 126% with more passengers travelling eastward than westward through Manchester. This reflected a general UK trend where the proportion of US and Canadian nationals was in the ratio of three to one because earnings in North America were relatively higher than the UK; the population of the US and Canada was three and a half times that of the UK and past migration had created family journeys in a westerly direction. The International Air Transport Association (IATA) commenting on the development of North American tourist traffic at the time, confirmed that it was almost wholly of North American origin and was estimated to be worth \$500 a head to the operators and \$900 a head to the European countries visited. (138)

Despite the growth in trans-Atlantic traffic, existing services offered from Manchester were capable of accommodating a larger number

of passengers. For example, in 1961, BOAC aircraft calling at Manchester had a capacity of about 100,000 seats of which 22,000 were taken up. The problem in maximising throughput at Manchester was that some of the trans-Atlantic traffic arising from the home catchment area was carried through the London "gateway", largely because London offered flights to a number of American destinations without the need to change at New York and the choice of service at different hours of the day was greater. BEA took a count for two weeks in May 1962 of outward passengers from Manchester to London interlining for the United States and Canada. These included passengers going by Pan American and other North American airlines and the number recorded in two weeks was 83. This count and annual figures provided by BEA of passengers between Manchester and London who interlined to destinations outside Europe suggested that about 6,000 passengers a year to and from Manchester interlined on trans-Atlantic routes. Some also travelled direct by road or train to London. So it was assumed that in addition to the 27,000 trans-Atlantic passengers travelling through Manchester, a further quarter travelled through London, making a total of about 34,000 passengers a year into or out of the effective home area. (139)

Another factor affecting passenger totals on trans-Atlantic flights at Manchester was the development of internal air services from Liverpool, Newcastle and Leeds to London Airport. Travellers from these areas could find it more convenient to interline at London from their local airport for a direct flight than to travel by road or rail to Manchester. In the short run, this tended to restrict Manchester's effective catchment area, but in the long run internal feeder services were regarded as essential if Manchester was to become a major trans-Atlantic airport. Another favourable long term possibility was the effect of Manchester having a greater number of direct links with the Continent. It was recognised that such continental links would put Manchester in a good position to act as a trans-Atlantic terminal. Thus priority was placed upon increasing the frequency of service on trans-Atlantic routes in order to make it more attractive to interline at Manchester rather than London or Prestwick. (140)

The tendency for trans-Atlantic traffic to pass through London was also reflected in the transit of cargo. As Table 2.8, Freight (Short Tons) on Trans-Atlantic Routes, 1957 - 1961, indicates, although throughput at Manchester was rising, it remained far below that of

London and Prestwick. A greater tonnage of North Atlantic cargo was exported from Manchester than was imported, in 1961, for example, 631½ short tons was carried westbound and only 174½ short tons were eastbound. Whilst at the London Airport a similar tendency emerged, the disparity was much less suggesting that some of the cargo destined for the North of England was passing through the London Airport. (141)

In essence, the early post-war years represented a period of substantial growth for the British civil air transport industry as a whole and for Manchester's airport. Existing routes were becoming more popular as the frequency of service improved and larger aircraft came into use. By the end of the 1950s, a new period of experimentation was ushered in with the increasing introduction of the new generation of "turbo prop" aircraft like the Viscount, Pionair and Super Constellation. As Manchester increased its share of the UK passenger and freight market, a dependence upon the Irish market and holiday routes was countered by the development of continental and trans-Atlantic air services which gave Manchester a lead over its provincial counterparts but also suggested a new era of stiffer competition with the London airports.

(c) The 1960s and 1970s

Whilst dynamic growth was the keynote of the British civil air transport industry during the first two decades after the Second World War, the 1960s were marked by a substantial slowing down of growth patterns, particularly in the second half of the decade. Growth rates declined from 12.9% during 1961-65 to 8.6% in 1966-70. (142) As previously stated, growth patterns of the immediate post war years had been characteristic of an infant industry. Civil air transport had absorbed traffic where it enjoyed a clear advantage. In later years, it could, therefore be expected that growth could begin to slow down as air transport began to compete for the more marginal traffic. (143) However, it is argued that in contrast to previous decades, the application of technological change in aircraft design also had a dampening effect on domestic traffic levels in particular, at a time when this market was suffering from an intensification of competition from surface modes. (144)

On the face of it, one might expect that the introduction of larger aircraft would result in a reduction in air fares in real terms, based upon increased productivity of the larger aircraft and the economies of

larger scale operations. This had indeed been the case in previous decades and continued to apply in the 1960s, as far as international air routes are concerned. The concept of the "Inclusive Tour" (IT) had been established in the 1950s and in the next decade, growth was so rapid that by 1968 passenger levels were some 20 times greater than those which had existed in 1958. This growth was largely the result of the contribution made by technological change to reduced air fares arising out of reduced costs and the ability to carry larger numbers of people. Thus the declining price of air travel abroad brought overseas holidays by air within the reach of lower income groups. (145) In the domestic market, however, the introduction of larger aircraft is viewed as having been forced by increased competition between the independent sector of the airline industry and the State Corporations, (a theme which will be elaborated more fully in Chapter Six).

It is clear that domestic air services in the UK have been characterised by a long history of instability resulting from relatively high costs and inadequate returns attributable to short average stage lengths, low volumes of traffic on many routes, the difficulties of securing adequate aircraft utilisation and competition from surface modes of transport. (146) However, with increased competition, British European Airways introduced jet aircraft with higher operating costs per seat per mile than those of the "Vanguard" type. BEA's passenger load factors were forced down from 68% in 1962-63 to 63% in 1967. (147) As previously mentioned, the situation was exacerbated by increased competition from other transport modes. In the mid 1960s, British Rail embarked upon a railway electrification programme which was to reduce journey time. More frequent services with greater regularity were thus offered. Similarly, the changing levels of air traffic between Great Britain and Northern Ireland reflected technological developments in sea transport. Between 1961 and 1969, the total air traffic flowing between the two centres increased by about 4.5% per year. However, between 1960 and 1968, carryings had been increasing by about 13.5% per annum. Thus the retardation in 1968 was swift following the introduction of new ships on the Irish sea routes. (148)

Overall, the "forced" application of new technology and increased competition from surface modes resulted in the consolidation of air operations with activity centring on a limited number of high traffic

routes at the expense of the leaner routes which were unable to support an adequate frequency of service and aircraft of an "economic" capacity. Sixteen cross-country domestic UK air services involving six different air carriers were withdrawn between April 1966 and March the following year. (149) As airlines increasingly concentrated on well established routes, a number of notable omissions appeared in the domestic network of air services. For example, despite the relatively high population density and relatively poor rail connections between Manchester and Northern England on the one hand and the South West and South Wales on the other, air services could not be maintained on these marginal routes which could only become economic if operated at maximum frequency by smaller modern aircraft. (150) In the late 1960s, there was therefore the potential for "third-level" airlines supporting inter city services or feeder routes to the main centres of population, if operators were prepared to employ 20 seater aircraft. However, few operators attempted domestic services with aircraft of less than 44 seat capacity. (151) Inevitably, these changed market conditions in the domestic sector had implications for the growth potential of UK airports which had developed in the past to cater for this traffic.

However it is also clear that in a general sense, the existence of an airport does not necessarily imply that direct air services will be provided to accommodate demand. It is possible for a region or country to have too many airports in the sense that the range and frequency of service provided is a factor of the total number of air travellers who might potentially use an airport. (152)

It is significant that by 1969, the number of licensed airports in the UK reached about 100 with 45 offering facilities for scheduled air transport services. (153) Given the size of the country, many of these airports were in relatively close proximity and thus an element of competition between airports arose out of the need to develop the intensive air services which would generate self-sustaining future growth and economies of scale. However, with the trend towards concentration of operations at a small number of larger airports, reflecting the economies of airline operation in the 1960s, it was likely that few airports outside the capital would aspire to major roles. Smaller airports would assume a supporting role, handling charter services and some domestic and short haul international "feeder" services to the larger airports. (154)

It is argued that the airports most likely to assume prominent positions were those which provided adequate airport facilities to cater for intensified air services. In turn, the potential for intensification could only be achieved by the extension of catchment areas beyond local boundaries into neighbouring districts. Essentially, if an airport's catchment area is limited, airlines will offer few direct services to few destinations. As suggested by earlier experience at Manchester, potential passengers may find it equally convenient to travel by road or rail to a neighbouring airport where direct services are provided, thus the local airport may be increasingly relegated to the role of "feeder" airport. (155)

Given the stagnation of the domestic market (reflected in the fact that in each of the five years from 1965 to 1970, rates of growth in domestic terminal passengers were lower than those of total UK passengers) the need to develop international routes became essential. Dependence on the domestic market inevitably meant that national growth rates would not be achieved. As previously suggested, the major growth area at this time was the "Inclusive Tour" market, thus the future viability of UK airports became dependent upon the attraction of a wide range of such services. (156) It should be noted however, that a fundamental characteristic of the tourist industry is its volatility. Short term fluctuations in economic conditions have a disproportionate effect on holiday patterns and the total volume of personal travel is strongly influenced by income factors. These principles are adequately demonstrated by experience in the IT market during the 1960s when very high growth rates were recorded in the period 1962-66, but trends were reversed in the following years. (157)

Although UK airlines carried over one million holidaymakers on ITs to Europe, the Middle East and North Africa in the summer of 1967 and foreign airlines contributed a further quarter of a million passengers - such figures comparing favourably with the 295,000 departing IT charters of 1962 - they nonetheless represented the lowest percentage increase ever recorded. Whilst up to 1965 holidays abroad increased at a faster rate than GDP, this trend was halted in 1966. The monetary and trade crises of the latter part of the decade with an adverse balance of payments resulting in currency and travel restrictions were also important determining factors in the slow down of growth. (158) Given the volatility of the IT sector, it became equally necessary that

UK airports should attract a wide range of scheduled air services to provide an essential cushion against the effects of short term fluctuations in the holiday market to maintain economic viability and growth. (159) Again, in achieving this wider traffic mix, it is argued that the provision of facilities was a key determinant.

Having considered the factors which determined changes in the market for air services in the 1960s, and their implications for UK airports in general, it is necessary to consider the growth of Manchester Airport within this context. This study will primarily be based upon consideration of passenger traffic levels in different sectors. Although freight traffic will also be considered, here the study will be rather more circumscribed as carriage by air has tended to develop as an offshoot to the primary preoccupation of developing passenger air transport. (160) In highlighting growth trends, it will be useful to address the performance of Manchester Airport in terms of the UK in general, regional airports and airports which were of broadly comparable size in the early 1950s.

It is argued that by the 1960s Manchester Airport had already established a sufficiently broad traffic mix which provided the basis for self-sustaining growth in the next decade. This position was consolidated by the development of airport facilities in the 1960s which was geared towards the needs of the larger aircraft operating on trans-Atlantic routes. In assessing the significance of this prominent market position for future growth consideration will be given to the impact of the fuel crisis in the 1970s on traffic levels. It is argued that as airport facilities were extended in the 1960s and early 1970s, the Airport began to make substantial gains from the tendency towards concentration within the industry which minimised the impact of external shocks.

Figure 2.5 illustrates Manchester's share of the total UK market for air transport measured in terms of terminal passenger throughput from 1961 to 1980. In 1962, Manchester accounted for approximately 7% of the UK market, representing a peak in activity which had been following an upward trend from the 1950s. During the 1970s however, Manchester's market share fluctuated between 5.5% and 6.5%. The growth of scheduled passenger traffic in the early 1960s had largely been due to the development of domestic routes. In the second half of the decade, ground was increasingly lost to Heathrow. Although the growth in

domestic traffic declined at the London area airports, the decline was not as severe as that experienced at the regional airports. Table 2.9 illustrates the decline in domestic passenger throughput at Manchester Airport during the second half of the decade when traffic reduced by an average of 4% per annum. The overall decline in market share throughout the decade may have reflected, in part, the higher proportion of domestic traffic passing through Manchester in contrast to Heathrow. (161) However, from 1961 to 1969, the London share of total UK scheduled passenger traffic increased from 56% to 64% reflecting a more fundamental trend towards concentration of air services in the South East. (162) Airlines had not achieved the traffic levels necessary to support the development of proportionally more of their European services away from London to Manchester. The economic effect of low load factors was heightened by the higher unit operating costs of the smaller size aircraft in operation like the BAC 1-11 and Caravelle, as opposed to the Trident and Boeing 727 which operated into London. The underlying problem was one of serving a relatively small market with the large capacity aircraft available, at a flight frequency sufficient to constitute an effective air service. (163)

Essentially, it was in the charter market that Manchester was making substantial gains with terminal passengers increasing at an average annual rate of 16% compared with 15% for the London area airports. (164) The gains made by Manchester in the "Inclusive Tour" sector were to some degree reflected at most UK regional airports where the diversification of tour programmes provided the essential counterweight to the general trend of concentration of activity at London. The total number of passengers carried on charter flights from airports outside the London area increased from 371,000 in 1961 to 1,374,000 in 1969, a large proportion of which were passengers on Inclusive Tours. However, although up to 1969 there was considerable growth in Inclusive Tour passengers from the provincial airports, the rate of growth at the London area airports was again faster. The London area share of total charter passengers for the UK increased from 66.3% in 1961 to 76.5% in 1969, the highest increases being recorded in 1967 when London accounted for 68.0% of this market. In 1971, the trend towards London was reversed with IT seat applications from all the provincial airports increasing by 45% on the previous year, the increase for the London

area airports being 14.5% (165)

The major stimulant to the changing relative importance of the provincial airports was that by the 1970s more people were able to afford package tour holidays than at any time before (for the reasons highlighted earlier). The demand for tours to the most popular areas like Spain and Italy from the provincial airports was increasing at a rate which made the provision of IT services on a significant scale a viable economic proposition. Also, the market for Inclusive Tours tends to be highly competitive with individual tour operators seeking to expand and improve their tour programmes each year. The provision of regional departures thus became a major promotional factor and a stimulus to greater local demand. (166) Independent airline operators sought out new market opportunities in charter services and in association with the highly competitive UK travel industry, marketed low cost holidays abroad to increasing proportions of the UK population, providing the basis for an extension in the range of international destinations offered from regional airports. (167)

Referring to Manchester's position within the regions, Figure 2.6 illustrates Manchester's share of terminal air passengers using the regional airports, 1961 - 80. By 1964, Manchester accounted for 19% of the UK market outside London. This again represented a peak in an upward trend from the 1950s when in the second half of the decade the airport handled approximately 15% of the terminal passenger throughput registered for all UK regional airports. In subsequent years, a cyclical pattern emerges with Manchester's share of the regional market varying between 16% and 21% to 1978.

In the 1970s, two particular trends warrant further consideration, firstly the downward trend in market share from 1973 to 1974 and the rapid recovery in the following year. With the large increases in fuel costs in 1973, the travel market in general became depressed. In 1974 terminal passenger throughput at Manchester Airport declined to 2,231,600 from a figure of 2,574,214 recorded in 1973. This represented the first year since 1946 that the number of passengers handled were less than the previous year. However, in 1975, passenger throughput exceeded the 1973 level with the airport handling 2,579,700 terminal passengers in that year. At other regional airports like Liverpool and Belfast, the recession deepened in subsequent years and although others like Birmingham Airport registered some recovery over

the following years, the 1973 level of throughput was not exceeded for some time. (168)

Clearly, Manchester Airport had reached a scale of activity whereby it would be insulated from the worst effects of economic recession by the tendency for airlines to concentrate activity at Manchester in the regional market. The increasing scale of activity had owed much to the development of the Inclusive Tour market at Manchester, a trend which had been established in the 1960s. By 1979, the airport was increasing its share of this burgeoning regional market. Table 2.10 records the year by year growth of terminal passengers on Inclusive Tour services passing through Manchester Airport from 1964 to 1980. The recession of 1974 is clearly reflected in the reduction of traffic by 21.9% in 1974, but this was fully recovered in 1975. However, from an examination of Table 2.11 it is equally clear that the general recovery in traffic levels was not only the product of an expanding holiday market. The decline in terminal passenger throughput on European and trans-Atlantic scheduled routes recorded in 1974 was also succeeded by substantial growth in the following year.

In seeking to explain the rapid recovery at Manchester in contrast to other regional airports, there can be little doubt that this phenomenon owed much to the extension of the airport's catchment area, initially increasing its penetration of the North West region at the cost of its nearest competitor, Liverpool (Speke) Airport, and during the 1970s increasingly drawing traffic from regions outside the North West. Generally, between the catchment areas of Scotland and Tyne-Tees to the North, the London airports to the South and South East and Bristol and South Wales to the South West lies an area comprising Lancashire, Yorkshire, Lincolnshire and the Midlands. Potentially, in this area demand could have been met by a number of regional airports all aspiring to some degree of international status. (169) However, Manchester Airport assumed the dominant position in the provision of air services, especially international air services. It could be suggested that the central position of the airport alone would sufficiently account for this. The Airport was especially well-positioned to serve the areas of Manchester, Stockport, Crewe, Macclesfield and Stoke on Trent, (170) but various studies of the origins and destinations of passengers at UK airports confirm the manner in which this catchment area was extended from the 1960s, as a

result of Manchester Airport successfully competing with neighbouring airports through the extension of facilities.

In 1968, a study of airports in the area of North Lancashire, entitled Airport and Air Service Development in North Lancashire, confirmed the already extensive catchment area which Manchester served, especially in relation to scheduled air services. The study surveyed the industry of the area and its requirements for air transport. A sample of one in three industrial firms located in the survey area was taken from the CBI Kompass Industrial Index and the survey area was divided up into five contiguous zones:-

- A Preston, Blackpool, Fleetwood, Lytham, Lancaster, Morecambe and Carnforth.
- B Blackburn, Accrington and Rossendale.
- C Burnley, Colne, Nelson, Bacup, Clitheroe and Great Harwood
- D Horwich, Wigan, Southport, Ormskirk, Skelmersdale, Darwen, Chorley and Leyland
- E Bolton

The percentages of firms using Manchester Airport in the last year for the carriage of personnel were as follows:-

Zone A:	50%
Zone B:	60%
Zone C:	79.6%
Zone D:	49%
Zone E:	80%

In the whole of the survey area this translated to a total figure of 63.5% of firms using the airport for the carriage of personnel. In contrast, the corresponding figure for Liverpool's airport at Speke was 13.0% (171)

A Department of Trade and Industry Survey of Passengers at Airports in Scotland and the North West in 1970 suggested that Manchester by this time displayed the catchment area of a regional airport for all traffic whilst its provincial partners like Liverpool and Leeds/Bradford airports provided a local service. (172) The regional hinterland for the major UK airports is depicted in Figure 2.7a. Of the international passenger traffic recorded at Manchester, 12% had origins/destinations in the Liverpool Urban Area; 9% in the Leeds/Bradford Area; 4% in the West Midlands and 3% in the Sheffield Urban Area. The survey identified an interchange of passengers between catchment areas at all airports surveyed but Manchester made a net gain. The highest contribution from Liverpool was towards charter traffic (13% of charter traffic at Manchester, originating from the

Liverpool County Borough) whilst the more important areas for the generation of scheduled traffic were the Eccles/Irlam area and the Alderley Edge/Cheadle/Wilmslow area. The survey of domestic passengers highlighted the general trend whereby the majority of passengers had origins and destinations in the same region as the airport, eg 79% of all domestic passengers at Manchester were travelling to and from the North West. However, 21% of all domestic passengers were drawn from areas outside the North West region including 3% from Leeds/Bradford Urban Area, 3% from the Sheffield Urban Area and another 4% travelling to and from the West Midlands. Overall, then, Manchester was drawing substantial numbers of passengers from Birmingham in the South and Leeds/Bradford in the North whilst Liverpool was well within the catchment area. The gains which Manchester made from Liverpool far outweighed the reverse traffic flow with less than 5% of Liverpool Airport's terminal passengers coming from the Manchester area. (173)

A subsequent CAA survey of international passengers in 1975 suggested that Manchester Airport was increasingly assuming the role of a "gateway" airport serving a catchment area as depicted in Figure 2.7b. By this time 17.5% of Manchester Airport's international passengers were being drawn from the Yorkshire Humberside region and 5.8% from the Midlands. From the perspective of the Leeds/Bradford Airport, by 1975 it was catering for less than 20% of its potential international market generated in the Yorkshire/Humberside region, 29% were using Manchester Airport; 13% travelled via Heathrow with the same number flying from Luton Airport; 19% travelled via the East Midlands Airport and 9% via Gatwick. Within the North West Region, Manchester accounted for 73% of the region's international passengers whilst Liverpool accounted for only 13%. (174)

To some degree, the expansion of Manchester Airport's catchment area may be attributed to developments in surface transport. Figure 2.8 illustrates the extent of major road development ringing Manchester Airport in contrast to Liverpool and Birmingham. Improved road connections to outlying areas had a depressing effect on the domestic market for air transport by making the surface mode relatively more competitive. However, these developments also eased access to the airport widening the potential catchment area for international passengers. Significant developments in the road network surrounding Manchester included the construction of motorway standard roads in the

1960s linking Manchester with Bolton, Wigan, Bury and Rochdale. In the 1970s, the motorway and classified road complex ringing Manchester improved the surface links between the airport and the outlying districts. The construction of the M61 to Preston and the joining of Burnley with the M62 were critical factors determining the use of the airport by the population of the County Borough of North East Lancashire. (175) Ready access from outlying areas was provided by the M6 and M62 trans-Pennine motorway, linking Manchester with Leeds and eventually the North Humber shore. (176) These developments eased surface traffic movement and offered the potential for both Manchester and Leeds/Bradford Airports to gain. The M62 Manchester - Liverpool motorway and the M56 Cheshire motorway were similarly significant; the M56 in particular providing a direct link to Manchester Airport from the Wirral, possibly attracting passengers away from Liverpool Airport.

Clearly the developments in surface transport enhanced the potential for growth at Manchester Airport. However, it is argued that Birmingham Airport at Elmdon enjoyed similar advantages. The airport was in close proximity to Birmingham and Coventry serving these centres of population and industry. The A45(T) effectively connected the airport to the M5 and M6 and to the M45 and the M1. Access to the airport involved the need to travel through Birmingham but the airport nonetheless could potentially gain advantage from the completion of the M6 Midland Link motorway replacing the A45(T), thereby removing the necessity to travel through Birmingham on all but motorway class roads. (177)

Manchester's neighbouring airport at Liverpool, situated on the north bank of the Mersey estuary, six miles south east of Liverpool, St Helens and Widnes, suffered to the extent that it could only be reached via the M6 passing through Warrington, making access relatively difficult. In addition, the Mersey estuary hampered access from the Wirral and the Mersey and Dee estuaries similarly hampered approaches from North Wales. (178)

Whilst such factors may be important to airport development, it is suggested that the development of surface modes of transport are in themselves a function of the development of air services and airports. In other words, the development of Manchester Airport will have placed increasing demands on the surrounding road network thereby calling forth improvement. In translating latent demand for air services into

effective demand it is argued that the provision of airport facilities to cater for a wide range of air services to appropriate destinations at sufficient frequency is the overriding factor. In assessing the significance of this factor in the development of Manchester Airport, emphasis will be placed on the responses to the changing market conditions of the 1960s. The divergence of response at different airports will be highlighted by a comparison of airports which were of comparable size in the 1950s. Figures 2.9 and 2.10 plot the growth in Terminal Air Passengers at selected airports 1955 - 1980. From an examination of these graphs a number of points are immediately apparent. In terms of the North West Region, Manchester Airport has dominated the scene since 1955; the interdependence of the Liverpool Airport and the Isle of Man Airports is marked; at Glasgow Airport traffic trends have been similar to those experienced at Manchester, but after 1970 growth patterns have diverged; finally the pattern of traffic growth at Birmingham Airport is similar to that of Manchester, but on a much small scale of operation.

In accounting for these trends, it is necessary to refer back to those factors previously highlighted as being significant to the structure and performance of the British civil air transport industry during the period under consideration. Firstly, the extension of railway electrification and the development of the motorway network during the period may be expected to limit the growth of purely inland domestic routes; although developments in surface modes of transport would not perhaps have the same impact on passenger traffic where a sea crossing is involved, eg Belfast and the Isle of Man. (179) Railway electrification was relevant to the provision of air services between Liverpool, Manchester, London and Glasgow. In April 1966, the railway routes between London and Liverpool/Manchester were electrified, saving about one hour on journey time. At the same time, the service offered greater regularity and frequency. (180) As a result, the throughput of domestic passengers at Manchester Airport was seriously curtailed. BEA's Annual Report for 1966/67 showed the London - Manchester traffic falling back 20% in the six summer months of 1966 as compared with the same period in 1965. Given the longer distances involved, the comparable decline on the London - Glasgow route was 10%. (181) On the Liverpool - London route, terminal passenger throughput declined by 6.5% in 1966.

The diversion of traffic away from Manchester Airport could be expected to have been long term and in 1968, the recovery in British Rail's passenger traffic continued, whilst passengers on the London-Manchester air service declined from 347,896 in 1967 to 314,940. (182) However, within two years, Manchester Airport was recording a recovery in domestic traffic. The increasing use of jet aircraft from Manchester probably regained some of the traffic lost in earlier years, but the extension of Manchester's role as an interlining airport is also a significant factor. Air travellers have a specific reason for using air services as opposed to the surface mode. For example, a Board of Trade Survey carried out in 1968 suggested that 48.4% of passengers using the air service from Manchester to London were interlining at Heathrow. Also, for those passengers interlining, business passengers were more likely to use air services. A Department of Trade and Industry Survey of 1970 confirmed these trends, 65% of passengers were interlining by this time and 70% of the passengers using the service were travelling for "business/official" purposes. (183)

At Manchester, the London route was still dominant in 1970 constituting one of the airport's primary routes; carrying more than 90,000 terminal passengers. (184) As far as other domestic routes are concerned, Manchester retained a dominant position in traffic to Belfast. On the Glasgow routes traffic throughputs at both Manchester and Birmingham airports were about equal in 1970. Although both airports served all the major domestic routes. Manchester Airport assumed a commanding position on other primary routes. This was in large part the consequence of the higher frequency of services offered from the airport, as illustrated in Table 2.11. Whereas on the London route, for example, flights were offered from Manchester at "sufficient frequency" to constitute a viable air service, the opposite was the case at Birmingham. Even after the cutback in service to one a day from the summer of 1970, the route continued to lose more than £20,000 per annum. The service was eventually suspended in the fuel crisis of 1973-4 after which load factors declined and losses grew to £1,000 per day. (185)

Whilst the London route at Manchester expanded, its relative importance changed. In 1961 it had contributed 33.6% of the airport's total scheduled passengers, increasing to 41.8% by 1965 but reducing to

28.0% in 1970. (186) The Airport sustained an increase in traffic on non-domestic scheduled routes, in contrast to the experience of other airports. Table 2.12 shows, for example, the growth in terminal passengers handled at Manchester between 1963 and 1980 on European and Trans-Atlantic scheduled routes. In contrast, Liverpool Airport's prime routes, carrying between 75,000 and 100,000 passengers in 1970, included London and the Isle of Man. Secondary routes, carrying 20 to 35,000 terminal passengers, included Belfast, Glasgow and the Channel Islands, whilst the minor routes, carrying less than 10,000 passengers, operated to Bristol, Cardiff and Newcastle. Between 1965 and 1970, the traffic on the London - Liverpool route declined from 140,000 to 94,000. This was almost wholly compensated for by increased traffic on the Isle of Man route which became Liverpool's most important scheduled route in 1970 when 95,000 terminal passengers were handled as compared with 55,000 in 1965. (187) This did not augur well for future growth as the Isle of Man was to increasingly lose appeal as a holiday resort as a result of declining air fares on routes abroad and the growth of the Inclusive Tour market. (188)

By September 1961, more than 25 international passenger routes operated on a regular basis from Manchester Airport, using Viscounts to West Europe and Britannias and Boeing 727s on BOAC's routes to North America. The most frequently served route was Dublin - Manchester-Dublin by Aer Lingus with 285 two-way flights in September 1961, using Viscounts, DC-3s and Friendships. Five years later, much the same international destinations were served but on prime routes the larger Tridents and Caravelles were beginning to replace Viscounts; and Boeing 707s were beginning to replace Britannias, reflecting the higher levels of passenger demand on these routes. Figure 2.11, Manchester Airport, International Terminal Passengers as a percentage of International, Domestic and Republic of Ireland highlights the growth in total international passenger traffic from 1965, the proportion doubling from about 25% to 50% by 1972. In terms of scheduled passenger throughput, the continental routes increased their share of traffic from 16% in 1965 to 23% in 1970, the major scheduled continental routes being Amsterdam, Paris, Dusseldorf and Brussels. (189) By 1969, a comprehensive network of all year international scheduled services was well established serving a number of destinations including Amsterdam, Dublin, Berlin, Brussels, Copenhagen, Cork, Dusseldorf, Frankfurt,

Madrid, Milan, Montreal, New York, Paris, Rome, Rotterdam, Tel Aviv, Toronto, the West Indies and Zurich. (190) New routes continued to be added to the network operating from Manchester Airport in the following year, eg Chicago, Philadelphia, Malta, Barcelona, Palma, etc, reflecting the tendency to concentrate regional activity at Manchester as direct air services intensified. (191)

In contrast to the experience at Manchester, in September 1961, only one international passenger service operated from Liverpool Airport, Dublin - Liverpool - Dublin, using "DC-3s" and "Friendships". By September 1966, nine international passenger services had been established serving, for example, Palma, Rimini, Ostend, Amsterdam and Cork, but three years later, all of the new continental services had disappeared largely as a result of the collapse of the airline company "British Eagle". (192) The collapse of "British Eagle" was something of a factor peculiar to Liverpool Airport, thereby introducing a distorting effect to "normal" traffic trends. However, Birmingham Airport similarly experienced difficulties in establishing viable international air services. BEA "Viscounts" had operated from Birmingham to Barcelona (April 1960 - October 1967), Amsterdam (July 1960 - October 1961 and again from April 1966), Milan (April 1961 - 64) and Basle (IT flights 1961 - 64). However, aircraft larger than Viscounts could not profitably operate out of Birmingham and as early as 1964 some departures had to be "doubled up" - a second aircraft operating ten minutes later. It was only in the period 1968 - 1974 that Viscounts began to be replaced by jet aircraft on the BEA routes, eg Viscounts on the Amsterdam route were replaced by Super 1-11s in April 1973, and those on the Dusseldorf route were replaced by "Tridents". The 1970s saw some significant breakthroughs with the opening of a route to Frankfurt via Brussels by British Midland Airways in 1972; by the end of 1973, separate routes could be maintained. By the late 1970s, British Airways had opened up new services to Milan (1978) via Manchester, to Copenhagen (April 1979) and to Zurich via Brussels. However, in the period 1980-83, these new routes were deleted. (193) Although Birmingham Airport was establishing itself as an international airport in the late 1960s, handling the largest number of international passengers in the provinces outside Manchester, in contrast to Manchester the only stable continental route at the time was the Birmingham - Paris route with seven flights per week. (194)

Later experimental continental routes proved to be vulnerable to competition from the larger airport at Manchester.

Whilst Manchester Airport made relative gains in both the domestic and international scheduled markets, the greatest growth was recorded in the "Inclusive Tour" sector. Table 2.10 charts the substantial growth of this sector from 1963 to 1980 which was only curtailed in 1974. Whilst total terminal passengers more than doubled from 1963 (1,117,774) to 1972 (2,350,656), throughput on Inclusive Tours increased more than ten-fold from 91,655 in 1963 to 999,814 in 1972. By the late 1960s, Manchester Airport served a wide range of IT destinations including Alicante, Barcelona, Basle, Bargas, Dubrovnik, Gerona, Ibiza, Lisbon, Ljubljana, Luxemborg, Mahon, Malaga, Milan, Munich, Ostend, Palma, Pula, Rimini, Split, Tenerife, Tunis, Valencia, Varna and Venice. New destinations like Naples, Rome, Tarbes and Zurich were introduced in the late 1970s. (195) All the major UK tour operators, including Clarksons, Global, Blue Sky, Sunair, Lyons and Wallace Arnold, offered direct flights from Manchester Airport. Of the top 11 Inclusive Tour charter operators only Lunn Poly was the exception in not offering direct flights from Manchester. (196) The most significant growth occurred on the holiday routes to Spain, especially Palma. In 1970, traffic on this route was more than three times that of its nearest rival, the Amsterdam route. Five of the top six routes from Manchester Airport were holiday destinations by 1970, as compared with one in 1961. To some degree the relatively slower growth of the traditional scheduled routes from Manchester in the 1960s was masked by the exceptional growth in holiday traffic. (197) Table 2.13 Manchester Airport, Terminal Passenger Mix, highlights the increasing significance which this traffic has assumed in later years.

In contrast, the development of the IT market at Liverpool has been erratic. To some degree, the relatively close proximity of the airport to Manchester has been an obstacle to the long term development of IT charter traffic which initially trebled between 1960 and 1965, but then stagnated over the next three years to finally decline absolutely in 1968/69. (198) Again, the collapse of "British Eagle" was significant in later years. Although, another company, "Euroavia" operated Inclusive Tours from Liverpool, expanding their operation to include flights to Valencia, Palma and Perpignan in 1964, the Company withdrew to Manchester Airport for the 1965 summer season, following the

breakdown of negotiations regarding the lease of a hangar to set up an engineering base. The loss to Liverpool Airport probably had far reaching consequences as "Euravia" was soon to become "Britannia Airways", the charter airline of the Thomson holiday group, one of the largest tour operators of the day. (199) Throughout the whole of the decade from 1960 - 69, Liverpool Airport's penetration of the Inclusive Tour market remained minimal in comparison with Manchester; with 90% of terminal passengers being carried on scheduled flights. (200) Although the ratio of charter to scheduled passengers increased in later years (eg to reach 19% and 81% respectively in 1975), Liverpool's air services remained predominantly scheduled, reflecting the fact that the airport was increasingly becoming regarded as a "domestic" facility. (201)

At Birmingham Airport, the development of the IT market has been on lines more similar to that of Manchester, although, in absolute terms, the larger airport has predominated. In the first half of the 1960s over 90% of total passenger throughput was carried on scheduled flights, between 1965 and 1970, the scheduled component reduced to 75% and by 1975 a 50/50 split existed between scheduled/charter traffic, comparable to Manchester's 54/46 split. (202)

Having considered the significant changes in traffic mix at the major UK regional airports in the 1960s, it is clear that a primary and secondary network evolved - a structure which was to vary little in the subsequent decade. A small number of airports, with Manchester predominating, serviced the bulk of international routes connecting the major international "gateways", together with the domestic trunk routes characterised by a larger volume of traffic reflecting the increasing use of larger jet aircraft. Other regional airports serviced a secondary network made up of domestic routes and certain related services, mainly linking the regions with the nearest parts of the continent. This network required the use of smaller aircraft of the type decreasingly useful in other sectors. Air services of a more local character were in evidence employing very small aircraft of limited range and capacity. (203)

By 1970, both Manchester and Birmingham Airports were regarded as important domestic airports, although the bulk of traffic was international in character. (204) A CAA survey of airports in 1975 highlighted the significance of the ratio of international to domestic

passenger throughput citing Belfast, Glasgow, Leeds/Bradford and Liverpool airports as having a preponderance of passengers travelling on domestic flights. (205) By 1975, the ratio of international to domestic passengers at selected airports was as shown in Table 2.14.

It is suggested that the divergence of traffic growth trends between Manchester and Glasgow from the late 1960s owes much to this effect. The dependence of Glasgow Airport on domestic traffic is confirmed by the fact that by 1975, despite a reduction in traffic levels, Glasgow rated second only to Heathrow in its domestic passenger throughput. Birmingham Airport had extended its international role and was thus in a position to register almost continuous growth throughout the period but the scale of operation was quite small. In effect, Manchester was consolidating its position as the alternative to the South East Airports in providing "gateway" international air services, fed by a network of well established and relatively stable domestic services. Whilst Manchester Airport handled two and a half million passengers in 1975, the airports of Glasgow and Birmingham handled over one million passengers each; a significant contribution to regional air traffic but each tending to develop single markets, ie one domestic and the other international. (206)

As suggested earlier, trends within the civil air transport industry tend to be determined by passenger demand. However, brief consideration will be given to the development of freight traffic at Manchester Airport during the period as in contrast to passenger air transport, evidence suggests that the tendency towards concentration in the South East was not so successfully countered as changes in aircraft design encouraged the consolidation of loads.

Although the volume of UK air trade remains small, ie less than 0.25% of total trade in 1978, for example, its value is high. A trend of increasing growth was established in the 1960s, continuing through the 1970s. The value of UK trade carried by air was £526 million or 6% of total UK trade in 1960; by 1976, the value of air trade had increased to £8,564 million or 15% of total UK trade. (207) Air transport had increasingly penetrated the freight trade market in the 1960s, eg in 1969, the value of imports carried by air stood at £1,085 million, 17% higher than the previous year whilst the value of total imports grew by only 5%. Similarly, for air exports their total value was £979 million in 1969, 18% higher than the previous year whilst the

total value of exports increased by a lesser proportion of 14%. Air transport was continuously outpacing the recorded increases of freight traffic carried on the more traditional modes of transport.

The major commodities being carried by air have continued to be machinery and clothing; over 80% of all air freight has been made up of industrial consignments having high value and low weight and volume. In 1969, for example, one third of all exported medical and pharmaceutical products and scientific instruments were transported by air. (208)

In terms of the direction of UK trade carried by air, in 1970, 40% of UK air exports were destined for Western Europe and 33% for North America, whilst at Manchester Airport the only significant trade carried by air was to the EEC and EFTA countries, accounting for 38% and 14% respectively, of air exports and 32% and 18% of air imports. (209) On the face of it, this trend may be regarded as the product of the nature and direction of North West trade, but it is suggested that it derives more from other factors mainly the impact of technological change engendering the consolidation of loads for inter-continental destinations and a concentration of activity in the London area.

Figure 2.12 plots the trends in throughput of international and domestic freight at Manchester Airport and air freight destined for or originating in the Republic of Ireland. Of striking significance is the increasing volume of domestic air freight carried to/from Manchester Airport to the mid 1960s, followed by a decline in tonnage and the almost uninterrupted rise in international freight handled from 1955 to 1970, again followed by a decline. These trends can largely be attributed to the impact of changes in aircraft design introduced to cater for the needs of passengers rather than freight carriage.

With reference to the domestic market for air freight in the 1960s, Manchester Airport had been on the BEA network of Argosy specialised cargo flights with schedules to Heathrow (seven per week) and Belfast (daily except Saturdays, using Viscounts). (210) These all-cargo scheduled flights had been supplemented by a substantial freight-carrying capacity on passenger aircraft. However, in 1969, the Vanguard aircraft, with a large surplus freight carrying capacity in the belly-hold, were increasingly replaced by BAC 1-11 aircraft offering very limited space for freight on air routes to London. In the first six months of 1970, freight throughput on the BEA Manchester

- London route dropped by an average of 50% as increasing amounts of freight were transported to and from the capital by road. (211)

In attempting to cater for the shortfall in freight capacity in the early 1970s, many of the Vanguard aircraft which had become obsolete on the passenger network were converted to all-cargo aircraft, known as "Merchantmen". Initially, BEA offered ten flights per week providing 80 tonnes of space for Manchester in each direction. However, this capacity was not fully utilised and by 1975 increased operating costs coupled with the effects of the economic recession of 1974, led to the proposal to withdraw the "Merchantman" aircraft fleet. Other freight handlers at Manchester, for example, Servisair, also cited the impact of congestion at the London Airport as a contributory factor in the increasing tendency to transport freight by road. Whilst the cargo terminals of BEA and BOAC could handle single operations (either export or import) types of cargo adequately, if cargo was routed via London by air, no guarantees could be given that the transit operation could be accomplished in less than 48 hours. In any event, the withdrawal of British Airways' "Merchantman" operation must have served to increase the amount of cargo carried by road after 1975 as freight would only be carried on the passenger aircraft of the BAC 1-11 type, severely limiting capacity to about one tonne per aircraft of hand loaded cargo. (212) Although passenger aircraft like the Boeing 757 were later introduced on the London - Manchester route, it is suggested that by this time the preference for road transport had become well and truly entrenched.

As far as the throughput of international air cargo at Manchester is concerned, the impact of technological change is again readily observable in Figure 2.12. In the 1960s, the largest proportional growth was recorded on routes to and from West Europe; in particular Brussels, Amsterdam, Frankfurt and Zurich. The largest growth on all routes served was Frankfurt increasing from 118,000 kilos in 1961 to 4,245,000 kilos in 1969. The increase in air freight to West Europe and the relative decline in domestic freight over the period was reflected in the relative shares of scheduled freight traffic. In 1961, domestic freight accounted for 50.3% of total scheduled freight; Europe 17.2%; Irish Republic 25.5% and intercontinental 7%. By 1969, these shares had changed to domestic 29%; Irish Republic 16.1%; Europe 40.4% and intercontinental 14.5%. In September 1961, two all-cargo

services linked Manchester To Stuttgart and Amsterdam. By 1969, BEA were operating 112 flights from Manchester to West Europe, Sabena 31, Lufthansa 51, KLM 19 and Swissair 31. The range of aircraft on these services included Boeing 727s, DC-4s and DC-9s. The BOAC North Atlantic all freight services also provided a stimulant to growth in the 1960s. In September 1961, 11 flights linked London, Manchester and Glasgow with North America, using DC7 aircraft, by 1969 53 flights operated using Boeing 707s and more direct flights were provided from Manchester. (213)

The growth of international freight tonnage peaked in 1971, declining substantially throughout the remainder of the decade. Especially in the second half of the decade, airlines had increasingly shifted away from the use of all-freight aircraft to the use of excess belly-hold capacity on wide-bodied passenger aircraft. As the introduction of these aircraft was significantly slower at Manchester than at London, the tendency to truck cargo between the two centres increased. (214)

As the early introduction of wide-bodied aircraft on passenger routes created excess cargo capacity, airlines were increasingly encouraged to use pricing structures to improve their individual utilisation, thus distorting the flow of air cargo through UK airports. Given excess capacity, if there is competition on medium/long haul routes, airlines will be pressed to lower their freight rates. In the UK, as much as 85% of air freight is channelled to the airlines through freight forwarders, a substantial proportion of control is vested in the hands of a few forwarders who can take advantage of the effects of tapering cargo rates through consolidation. For very large consignments of 500 kilos, the rate per kilo may be one fifth of that for a minimal consignment. The large freight forwarding organisations can also negotiate discounts below the published rate. The benefits from consolidation and discount combine to enhance the attraction of the London group of airports having a wide range of services and routes. The rates available more than offset the costs of "trucking" cargo and the accumulation of traffic at London in few hands further strengthens the bargaining position of the freight forwarders. Undoubtedly, this effect had impacted on the throughput of West European and North Atlantic air freight at Manchester. Consolidation can save for the shipper and forwarder up to 75% of the "normal" costs

of moving say 100kg across the Atlantic. Any airport charge for handling or loading for road transport is insignificant compared to these savings. From the airlines' viewpoint, even if a B747 has a full belly - load of cargo destined for the North West, the airline can make substantial savings by landing at Heathrow only and trucking cargo to Manchester. (215) The effects of consolidation on Manchester's share of the total UK air freight market are illustrated in Figure 2.13; Manchester's market share almost doubling from 3.4% in 1961 to 7.2% in 1970. Thereafter market share consistently declined to 1980.

In the 1970s then, Heathrow dominated the long haul market and continental Europe, whereas on the routes to and from the Irish Republic, Manchester and Liverpool airports together handled as much cargo as the London Airport. These routes accounted for 50% of Liverpool's cargo throughput 20% of Manchester's cargo throughput but only 6% of Heathrow's. (216) In 1971, although Manchester's cargo throughput rated second to Heathrow in the UK, the other major London airport, Gatwick, had begun to narrow the gap, being the only major airport to show an increase in throughput over 1970. (217) Similarly, with the onset of the economic crises in 1974, Gatwick was the only UK airport to show significant growth in air cargo throughput. By that time Manchester had been ousted from its position of second largest cargo handling airport in the UK. (218) Clearly then, technological change may be seen to have had a stimulating effect on the growth of passenger air transport at Manchester, particularly as far as international routes are concerned. However, as far as the growth of freight throughput is concerned, it has had a dampening effect.

2.4 FINANCIAL PERFORMANCE

In considering the financial performance of any firm financial data may be used to derive measures of efficiency such as profits, costs and productivity; but there are, of course, several inherent difficulties in undertaking such an exercise. The financial statement of a business should show the amount of profits earned and available for distribution after having maintained the value of capital. However, complications arise in defining and calculating both profits and capital ("capital" here defined as the difference between assets and liabilities and "profit" expressed as a rate of return). For example, the objectivity of the valuations of assets may be in question and monetary values may

not convey an accurate impression of the true value of assets which varies with market conditions. What is to be put into a capital account and what into an income account is often at the discretion of the business, and this may detract from the usefulness of using declared profits or dividend contribution as a guide to real net earnings. Usually in balance sheets, assets are valued at historic cost with or without an allowance for depreciation. The use of historic cost is so unrealistic that it can often provide a totally false picture of a firm's financial status. If firms do not revalue their assets, the historic cost may be divorced from reality. Apart from the changes in long term price levels and the value of money, changes in the real value of assets can occur through deterioration with the passage of time. So the importance of net profits cannot be overstated because of the disagreement about the nature of profit, its usefulness as a measure of performance and the difficulties of relating it to capital. (219) Although the profit and loss account is usually the major yardstick for judging the efficiency of a firm, in principle, the very concept of an annual financial statement is arbitrary and annual accounts break up the continuous stream of events and the overlapping of business operations. Balance sheets and profit and loss accounts are primarily finished products, the result of a refining process involving adjustments and selective omissions and the process of summarisation may rob financial statements of much of their value in suggesting the way in which results were achieved. (220)

Complete reliance on the profit and loss account masks two different elements in the measure of management's ability, the first is determined by the objective circumstances facing the organisation and the second is determined by the subjective reactions and effectiveness of management in relation to these objectively fixed circumstances. As airports are essentially subject to public control historically, "social" objectives may distort the initial cost and revenue data. (221)

Despite the problems of data, it may be possible to construct a long-run time series of a firm's financial results and from this draw some general conclusions about the growth of a company over time and its profitability. In general, accounts are a numerical record compiled when or soon after events occurred and they should, therefore, reflect the actual operations which go to make up an enterprise. A

whole range of issues in the development of accounting practices, such as depreciation policies or their total absence, the acceptable relationship between risk capital and loan capital, the method of presenting figures and how this practice has changed over time, may be addressed. The extent to which reserve funds have been used, whether provision was made for bad debts, and the proportion of profits retained for plough back compared to that distributed as dividends can all be investigated from these documents. (222) Primarily, accounting data cannot suggest why decisions were made and it cannot be relied upon as a true measure of profitability. In respect of Manchester Airport the nature of decisions affecting financial results will be influenced by factors deriving not only from airport operations but also from municipal ownership structures which are given full consideration in Chapter Three.

Whilst attempting to compare the basic financial performance of Manchester Airport with other UK airports, it should be noted that although problems of comparability are inherent in nearly all inter-firm comparisons, particular difficulties are encountered with airports arising out of the nature and organisation of their operation. Firstly, two airports with identical air services could have a great disparity in expenditure on employees. Staff on fire protection, air traffic control, passenger baggage and freight handling, refuelling aircraft, cleaning, catering and equipment repair and maintenance may or may not be on the airport payroll. (223) At the extremes, some airport authorities may operate purely as landlords with very little participation in most activities, other airports may provide nearly all the services themselves and the extent of involvement may not only effect employee costs but all cost and revenue structures. As suggested, differences in the execution of ramp handling (aircraft handling, baggage and freight loading and unloading) and traffic handling (passenger and freight handling) may arise. (224) For example, at Manchester Airport, the positioning of steps for the embarkation/disembarkation of passengers is carried out by personnel employed by the airport, however, the steps themselves are provided by the various handling agents who are generally responsible for other aspects of passenger handling from the point of check-in. Similarly, with respect to in-flight catering, catering concessionaires are responsible for the preparation and packaging of food, but the actual

loading onto the aircraft is carried out by airport staff using catering loaders again supplied by the airport. (225)

Further complications may be introduced if an airport authority is not charged the full cost of a service provided by a third party. (226) With respect to air traffic control and related meteorological and communications services, government departments tend to fulfil this role at many UK airports. For the BAA group of airports, the costs associated with these activities have not been passed onto individual airports. At Birmingham and Manchester, the airports have been directly charged for these services in recent years. (227) However, comparison through time and space is further complicated by the fact that up to 1965, Birmingham, Liverpool and Manchester airports were not charged for this service whereas, for example, Southend retained its own control staff involving a cost of £31,000 per annum, plus the renewal and maintenance of equipment. (228) Any comparison of financial performance in the earlier years of airport development will be distorted by the fact that the Government provision of air navigation services for many years made a loss at UK airports other than Heathrow and this loss will not be reflected in airport accounts. (229)

The other major operational area where discrepancies may occur is in police and security. Some airports may employ private firms to fulfil security requirements, whilst others employ their own security guards. At Manchester, the policing function has changed over the years from Ministry provision to the establishment of a dedicated airport police force and finally to the airport forming a sub-division of the Greater Manchester Police Force. Finally, at the local administrative level, local government staff not based at the airport may be involved in running it providing, for example, treasury, personnel, architectural and surveying and engineering support. All costs and manpower involved in this support should be recharged to the airport. (230)

Differences in accounting practices similarly hinder comparison. With the public ownership of airports, the tendency has been to adopt public accounting procedures rather than normal commercial practices. Often assets are excluded from depreciation if for example, they have been financed from government grants. If the airport is owned by a local authority, accounts will not show depreciation payments as such, instead loan redemption will be charged but only on assets financed

from loans and not on assets financed from government grant or revenue. Different depreciation policies, such as current versus historic cost accounting further complicate the issue. (231) In this sense, it is difficult to establish a rate of return on assets employed. Under a historic cost accounting regime the older airport will always show a more favourable return on assets than the newer one. It may be argued that the older the asset the higher will be the maintenance costs so that although a lower base denominator will be involved, this will compensate for the greater cost involved in upkeep. However, this does not fully resolve the original problem. (232) An alternative to calculating a rate of return on assets is to use a Revex ratio, showing revenue as a percentage of expenditure before tax. However, the treatment of debt charges remains a problem. Debt charges reflect the provision of runways and terminal buildings (on which the return is mainly by way of landing fees) and the provision of hangars, offices and factories (to be let at an economic rent). The proportion of different mixes and dates of completion of projects can again nullify any comparison of income as a return against expenditure, as present costs will be so much higher. The extent of letting of accommodation in terminal buildings to airlines and concessionaires also varies significantly between airports. (233) Again, for debt charges, a major distorting factor can be changes in interest rates. A small percentage increase in interest rates can result in massive changes in capital costs and this in itself will bear little relation to the ability of airport managements to improve financial performance. (234)

The extent of both indirect and direct government subsidy may distort any comparison of the financial performance of airports. Indirect government subsidy has already been mentioned, but airports may also receive direct grants towards capital projects from both the UK Government and the EEC Government grants towards development projects have applied at different times to, for example, airports at Manchester, Birmingham, Tees-side, Newcastle, Edinburgh and Glasgow. As suggested, these outright gifts are disregarded for accounting purposes as no depreciation or interest is charged to cover them. Those airports which have received Government grants will appear to be in a more favourable position than those which have been forced to finance development by loans and associated costs. (235) For example, in 1966, Manchester Airport recorded debt charges of £363,000 on a

capital expenditure of £5 million, but as more than £21/4 million had been contributed by Government the charges referred only to £23/4 million. As the burden of debt charges accounts for much of the annual losses recorded at airports and may deter capital investment, it is interesting to note that although Manchester headed the list of UK airports recording the highest level of debt charges for the year, followed by Liverpool (£126,000) and East Midlands (£114,000), the airport also recorded the highest surplus. (236)

Differences in design and service standards will also distort any comparison of financial performance. Most larger airports have their own physical service standards considered desirable to provide an acceptable level of passenger service. The decision on service will affect cost and manning levels and to a great degree there will often be a direct trade off between the two. Of course, in determining the appropriate level of service, some factors may be outside the immediate control of the airport authority itself, for example, the imposition of night closure for environmental reasons. (237)

Finally, in addition to these general factors which tend to detract from the validity of any comparison both through time and space, it should be noted that from time to time, various miscellaneous items may also introduce problems. For example, in the financial year 1974/5 Manchester Airport made a once and for all payment of £400,000 to the Manchester City Council on the transfer of half of the airport's assets to the Greater Manchester County Council. (238)

Because of the difficulties of measurement of economic performance outlined above and the characteristics of airport development highlighted in Chapter One, airport studies in the UK have emphasised technical feasibility, suitability of sites and particular facilities to meet some predicted level of demand. Economic feasibility has been seen in terms of cost/benefit analysis which included internal and external costs and benefits. Little attention has been paid to the internal economics of airports. However, with the mounting concern in the 1970s regarding the operational losses being recorded at most UK airports, greater emphasis has been placed upon the issue of airport financial results and the problems of the future financing of regional airport development. (239) Since 1976, the Transport Studies Group of the Polytechnic of Central London, headed by Professor Rigas Doganis, has been responsible for much of the body of research which has

developed in respect of the finance and economics of airports. Initially, the Group concentrated its efforts on consideration of UK airports but in recent years the scope of study has been broadened to include both European airports and airports in the developing world. Relying heavily upon data produced by the Polytechnic of Central London and the limited data available prior to the 1970s, very broad conclusions may be drawn regarding the financial performance of UK airports in the period under consideration.

In the very early years of development, the low level of air traffic and the limited pattern of services highlighted in the previous section, contributed to municipal airports trading in deficit in the 1930s (see Table 2.15). The total expenditure in England and Wales up to 1940 on providing the 38 operating municipal airports had been £3,534,678, on average £93,018 per site ranging from the most expensive projects at Liverpool of £435,541, Manchester's two airports costing £521,402 and the large scheme at Birmingham £315,820 to Worcester's tiny £14,074. By 1939, a further seven municipalities had purchased land, valued at £268,886 for unrealised schemes. The acquisition of land was the major cost involved in providing aerodromes contributing towards the inability of aerodromes to reach a threshold of activity which would generate sufficient revenue from landing fees and hangar rents to cover the minimum operating level of expenses. (240) The second major cost was in levelling, draining and seeding a grass runway. However, the growing use of commercial aircraft led to the decision regarding capital outlay on hard runways and associated taxiways and hard standings. Provision of these facilities involved large capital expenditures which again increased the likelihood of trading deficits. (241) Throughout the 1950s, the capital expenditure required for improvements as well as the cost of operating terminal and technical facilities continued to escalate, whilst the revenue from landing and other fees continued to fall short of operating costs. As late as 1955, the operating losses, excluding the cost of technical services, at Ministry airports was almost £400,000. The cost of technical services was a further £1,273,000 and to this could be added a further £3 million for administrative costs at the Ministry itself and £1½ million for interest and depreciation on the capital invested in aerodromes. (242) The continued deficits reflected in part the indivisibilities in airport investment highlighted in the previous

chapter, and was also the result of the fact that air transport was still very much in its infancy.

In more recent years, many airports in the UK have undergone heavy investment programs whilst passenger throughput has not expanded to fit expectations. In seeking to explain this phenomenon a number of factors come to light. Firstly, during the 1960s an unco-ordinated system grew up where local initiative was the most important factor determining airport development. As suggested in the previous section, a climate of competition between airport authorities attempting to establish financially viable and successful airports through supply orientated adjustments emerged. To attract new operators and retain existing ones, large scale investment projects were pushed forward when perhaps they were not economically justified. The provision of "superior" facilities became the dominant form of competition and created added pressure against increasing charges to compensate for increased cost associated with these supply orientated adjustments. Momentum stemmed from the competitive climate, airports invested to attract the same traffic by capturing and keeping important operators. Airlines themselves influenced airport operators to invest heavily in facilities. In effect, airlines can make or break an airport which generally needs only one major operator to survive and they have effectively played one airport off against another. The available traffic has been split over a wide dispersion of airports and only a few have been able to attract enough traffic to be financially viable.

(243) The development programs of the 1960s were characterised by runway developments. In later years, a second development program involved the larger regional airports gearing up to cater for the wide bodied jets of the late 1970s and early '80s. (244)

In a study of 23 UK airports, all handling in excess of 100,000 passengers per year (except Southampton), carried out by the Transport Studies Group in the early 1970s, it was found that by 1969/70 the industry returned a reported surplus of £3.8 million. However, excluding Heathrow Airport, the combined result was a deficit of £1.8 million. The 18 regional airports studied reported a combined deficit of more than £2 million whilst the London airports as a group reported a surplus of approximately £6 million (£5.65 million of this attributable to Heathrow alone). Manchester reported the most promising results reporting a surplus of some £410,000 other surplus

airports at the time included Prestwick, Glasgow, Southend and Jersey. (245) The early analysis of the economic and financial performance of UK airports undertaken by Doganis and Thompson emphasised the significance of the traffic threshold and concluded that surpluses could not be expected in the early stages of development generally and that a throughput of three million passengers or equivalent per annum, was essential if revenues were to cover costs. However, it was also noted that some airports had managed to achieve surpluses at a lower level of throughput. In seeking to explain this finding, a comparative analysis of the effectiveness of airport managements based upon a multiple regression analysis for different breakdowns of revenues and costs for the year 1969/70 was carried out. Each regression produced a residual element for each airport observation which represented that part of cost or revenue that is not explained by independent variables in the model formulation. With reference to the residual of cost equations it was found that Blackpool and Southend showed a consistent "better than average" cost position for all breakdowns followed by Birmingham and Belfast. Prestwick, Heathrow and Bristol, on the other hand, showed a consistently worse than industry average. As far as the residual structure of revenue equations is concerned, East Midlands, Heathrow, Prestwick and Tees-side showed a consistently better than average revenue situation, Glasgow and Liverpool consistently adverse. For Manchester's airport, it was concluded that its revenue position enabled it to show an above average position overall, despite being a "mature" airport with high costs, management had "consistently shown foresight and judgement regarding its investments and revenue policies and the relationship between them." (246)

By 1974/5, the impact of the oil crisis and increasing costs for airline operators were apparent. Eight airports which had recorded surpluses in 1969/70 were reduced to only two, ie Heathrow and Guernsey, and Guernsey's surplus was largely attributable to the writing off of £645,000 worth of debt in 1972. Manchester recorded a deficit of £641,000 but it must be borne in mind that the airport had only recently completed a major programme of terminal building extension which would have contributed to increased costs. The industry as a whole still reported a surplus of £202,000 but again, if Heathrow is discounted, this becomes a reported deficit of £8.34 million. The London area surplus had improved from £6 million in

1969/70 to £7.82 million in 1974/75 but only as a result of expansion at Heathrow. In the regions, the deficit deepened from £2.1 million to £7.62 million. (247)

Taking operating surplus or deficit, ie total revenue minus total operating expenditures excluding the costs associated with capital like interest payments and loan redemptions, in 1974/5 only seven of 22 airports carried sufficient revenue to cover operating costs. Of the regional airports Manchester was way ahead with an operating surplus of £1,618,000. The industry as a whole made a large operating surplus of £10.76 million, most of which was contributed by Heathrow, whilst the regional airports as a group failed to generate sufficient revenue to cover operating costs. (248)

Given the many problems regarding the comparison of airport accounts, the Transport Studies Group also produced adjusted results in an attempt to put the comparison of airports on a common basis. Adjustments were made for net cost arising out of CAA provision of aerodrome navigation services and an imputed cost for capital charges associated with government grants was incorporated assuming airports themselves had financed all of their investments through loans. The results of this analysis suggested growth in the already substantial deficits. On an adjusted basis Manchester recorded a deficit of £1,862,000. The regional airports deficit increased from £7.62 million to £13.42 million after adjustment. This was seen to reflect the extent of governments hidden subsidy by way of development grants and CAA losses. At Manchester, Birmingham, Prestwick, Gatwick, Edinburgh and Belfast, CAA losses on aerodrome navigation services alone were greater than the losses airport authorities reported in all other activities. However, it was also pointed out that in comparing the years 1969/70 and 1974/5 at current values the poor financial performance was overstated as in 1974/5 the pound was worth much less than in 1969/70 in real terms. In the interim the RPI had risen 78%. Table 2.16 gives the results of deflating adjusted values to 1969/70 prices. (249)

The overall results of this analysis also suggested that the principle that, as traffic increases financial performance will improve because of falling unit costs and increasing unit revenues as output expands, may be in question. Table 2.16 suggests a deterioration even though traffic has increased. Despite an average 25% increase in the

regional airports' traffic, total revenue has declined by 4.6% in real terms. Cost results are better for the regional airports as with 25% increase in traffic costs increased by only 13.7%. In further investigation of the relatively poor revenue performance, it was found that the most significant factor here had been the proportion of international passengers handled. A 10% increase in the proportion of international passengers resulted in only a 2.64% increase in costs but a 3.14% increase in total revenue. (250)

A further study of the financial year 1975/76 confirmed continued adjusted deficits. In both 1974/5 and 1975/6 only one airport other than Heathrow produced a surplus of an adjusted basis. In each of the financial years, about a dozen airports were each operating at an annual deficit of over £500,000. In explaining the trend of continued substantial deficits, average unit costs and revenues were examined. Evidence suggested that between 1969/70 and 1974/75, unit costs for the industry had declined but had increased in the succeeding year. The overall effect on unit costs at a constant value was that in 1975/76 they were lower than in 1969/70 but only marginally so. Up to 1974/5 a slowing down in the rate of investment in facilities had meant that airports were making better use of existing capacity and facilities, thereby depressing unit costs. However, an increase in investment in 1975/6 had an immediate impact on airport unit costs. However, it was generally concluded that the weaker economic performance in 1975/6 was more the result of the continued failure to increase unit revenues; revenues had not kept pace with the general escalation in current terms of airport costs. Two reasons were cited, firstly in respect of non-aeronautical sources of revenue because of the previously negotiated medium and long term contracts, it was frequently not possible to increase revenues from some of these sources in line with inflation. Secondly, the rigidity in the process by which aeronautical charges were determined similarly retarded adjustment in this area. The effect was that responses to cost increases were likely to be slow and lag behind increases in costs. (251)

Clearly, there are difficulties to be encountered in measuring the financial performance of any firm and in attempting to draw comparisons between UK airports further complications arise out of the nature and organisation of their operation. As a result, most studies of airport development in the UK have not sought to address the internal economics

of airports although steps in this direction have been taken by notably the Transport Studies Group of the Polytechnic of Central London.

Essentially, only general conclusions can be drawn from the data available. Firstly in the period up to the 1950s regional airport operation was characterised by financial deficits, largely reflecting the indivisibilities of airport operation. The era of competition ushered in the 1960s coupled with an increasing tendency towards concentration of activity at the London area airports only proved to exacerbate the situation across regional airports as a whole.

In respect of Manchester Airport's financial position relative to its regional counterparts, a diversity of experience is however apparent. Tables 2.17 and 2.18 detail the year by year operating and net surpluses/deficits recorded for the years 1935/6 to 1980/1. Of note are the operating surpluses recorded during the war years and from the mid 1950s and the net surpluses accruing from 1957/8. It is argued that this phenomenon has in part been the outcome of successful competition with regional airports with the extension of the natural catchment area beyond local boundaries and the drawback of regional traffic tending towards the South East airports, highlighted elsewhere in this chapter. Whilst the provision of airport facilities to cater for intensified air services was a prominent factor in this sense it should be noted that other factors were contributory. The arrangement for war-time use and the subsequent agreement with Central Government for continued municipal ownership in the post-war era which are dealt with in Chapter Five are significant here.

2.5 CONCLUSIONS

It is clear that from the early days of the development of the UK civil air transport industry, the City of Manchester benefitted from a potential demand created by a large population which was lacking in other centres of the country. Similarly, throughout the years of depression in the inter-war period Manchester remained relatively prosperous. It is argued that the early attempts to acquire the Alexandra Park site for a civil aerodrome manifested an awareness of the potential demand for scheduled air services in a period when development was generally retarded by the technical performance of aircraft which meant that civil air transport could not effectively compete with surface modes of transport, especially over land.

The failure of the Barton Airport to become the scheduled service airport envisaged in the late 1920s reflected a fundamental desire to avoid heavy capital expenditure in land acquisition coupled with a basic lack of expertise in site selection. However, despite this early failure, the City authorities remained convinced of the need for an airport to cater for the requirements of the industrial and commercial community which would become readily apparent at such time as developments in aircraft design made air transport a more viable economic proposition. Thus in establishing the Ringway Airport site selection assumed priority as suggested by the commissioning of aeronautical consultants to advise upon an appropriate site irrespective of the need for land acquisition. It is suggested that not only the approach to but also the timing of decision making processes were crucial as in the second half of the 1930s the UK civil air transport industry began to show early signs of growth, albeit limited generally to routes involving a sea crossing in the domestic market with continental routes tending to centre on London.

In the immediate post war years the UK civil air transport industry underwent a period of substantial growth during which Manchester Airport increased its share of the UK passenger and freight markets. An early dependence upon the Irish market and holiday routes was countered by the development of continental and trans-Atlantic air services which set Manchester Airport apart from its provincial counterparts and suggested the opening of a new era of stiffer competition with the London airports.

Whilst during the 1960s the growth experienced in earlier years in the industry began to slow down as a result of air transport beginning to compete for more marginal traffic and the negative impact of technological change in certain sectors, growth was sustained at Manchester Airport by the successful adjustment to changed market conditions and the extension of the natural catchment area which contributed to the intensification of air services. In an era of competition between UK airports Manchester's scale of operation increased substantially which aided recovery in the recession of the 1970s.

In response to the adverse effects of technological change in the civil air transport industry and in surface modes of transport on domestic routes, especially the London routes, the provision of air

services which would interline with air services at the London airports was maintained as a result of the extension of the airport's catchment area. In addition growth was sustained by the increased provision of international air services both charter and scheduled. Although the development of the "Inclusive Tour" market had offered the prospect of growth at UK regional airports in the face of increased concentration of scheduled air services at a small number of larger airports, Manchester had taken the lion's share of regional traffic in this market as a result of the concentration of provincial activity at the airport.

It is argued that an essential factor in promoting growth was the provision of airport facilities ahead of demand which contributed to the attraction of Manchester Airport, especially for international air services. Generally, the early planning of runway improvements in the 1950s and the execution of major extension programmes in the 1960s were geared to facilitating long-haul jet operations, despite the uncertainty of operational requirements at the time. Indeed the planning of terminal facilities had constituted a greater challenge in an era of rapidly changing technological advances. However, the design of a terminal building in the 1950s which was capable of extension recognised the need to plan ahead despite the lack of basic knowledge of future requirements. Essentially, the terminal building planned in the 1950s and opened in 1962 saw the airport through the difficult decades of rapidly changing aircraft design which demanded adjustment to cope with ever larger numbers of passengers.

Whilst it is difficult to draw comparisons between the financial performance of UK airports, it is suggested that although deficit operation will influence investment decisions, there is a circularity of cause and effect. In other words, it is likely that the comprehensive network of international scheduled air services built up at Manchester Airport by the 1960s, which in supply terms was the product of changes in earlier decades consolidated Manchester Airport's financial position in contrast to other regional UK airports.

Figure 2.1

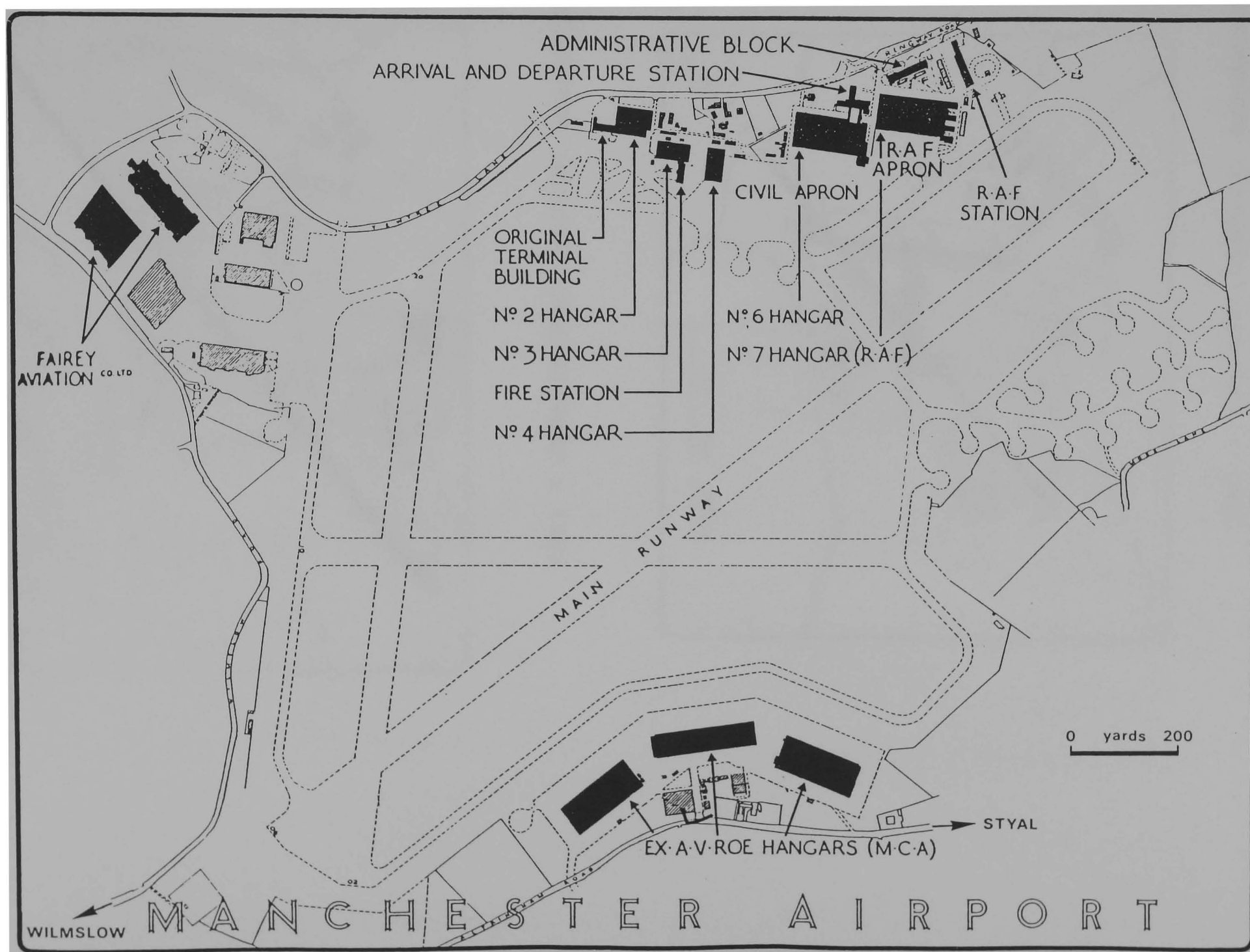
THE SITING OF AERODROMES AROUND THE CITY OF MANCHESTER, 1918
- 1938



Figure 2.2

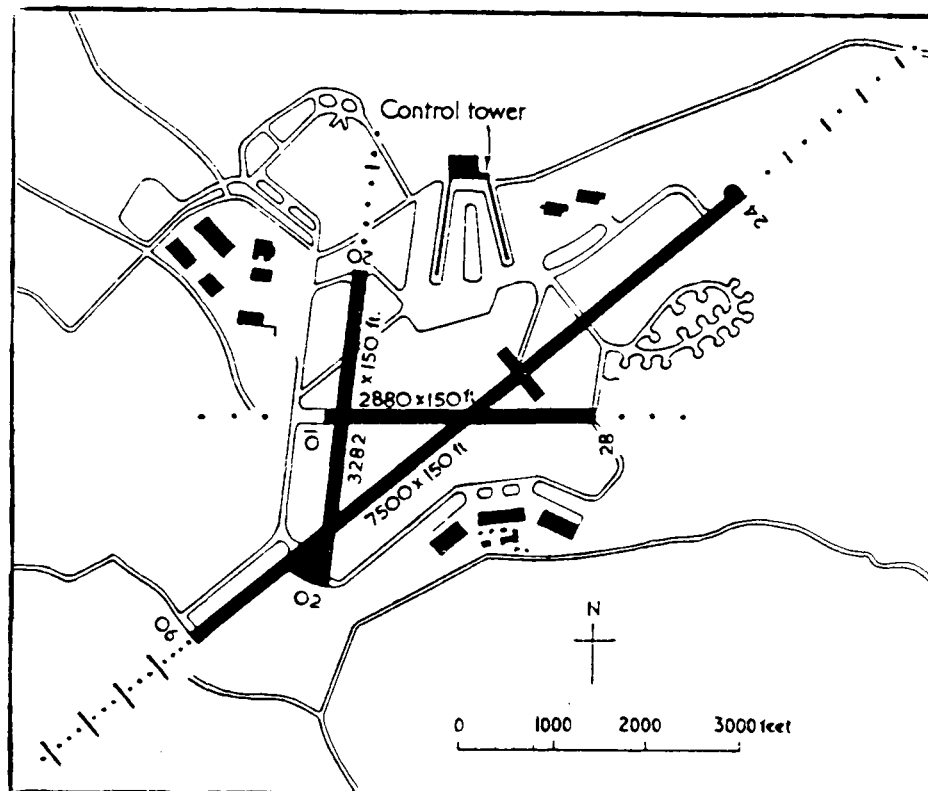
MANCHESTER (RINGWAY) AIRPORT, DEVELOPMENT DURING THE SECOND WORLD WAR.

NB: THE MAIN RUNWAY AS SHOWN INCLUDES EXTENSION BY 1,700 FEET TO 5,900 FEET COMPLETED IN NOVEMBER 1951



THE LAYOUT OF MANCHESTER AIRPORT

(a) MANCHESTER (RINGWAY) AIRPORT, c 1967



(b) MANCHESTER INTERNATIONAL AIRPORT c 1982

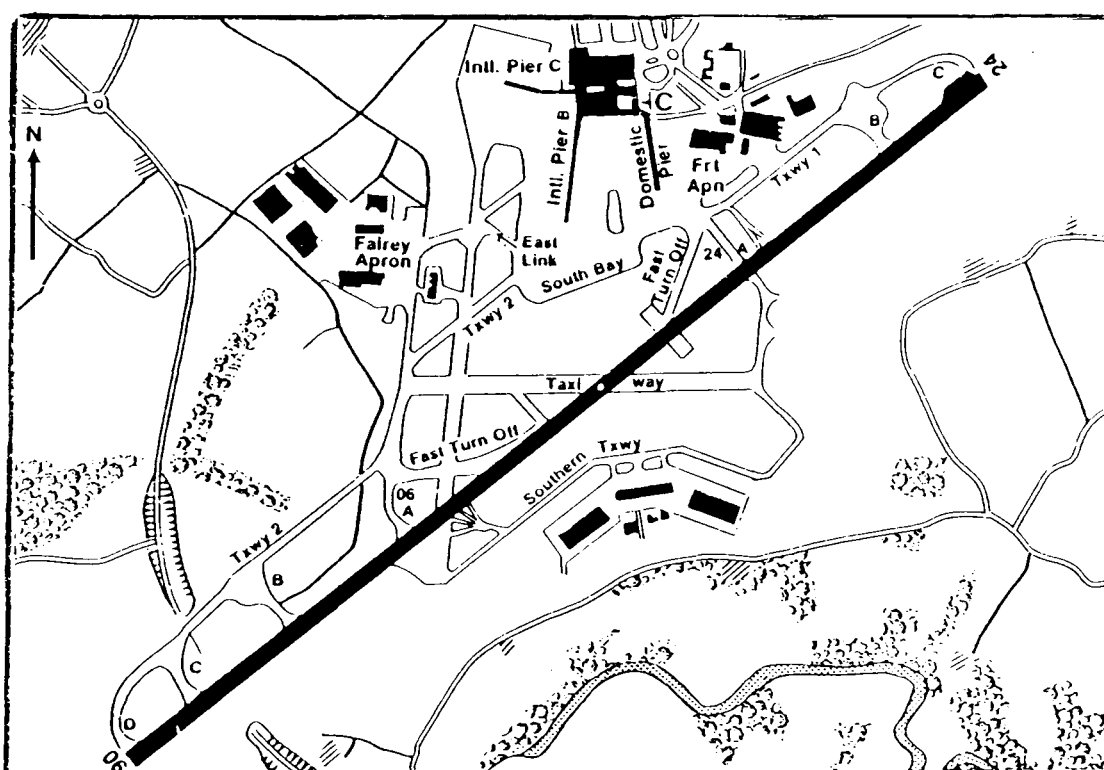


Figure 2.4

ILLUSTRATION OF THE LAYOUT OF AIRPORTS COMPETING WITH
MANCHESTER c 1982

(a) BIRMINGHAM AIRPORT



(b) LEEDS/BRADFORD AIRPORT

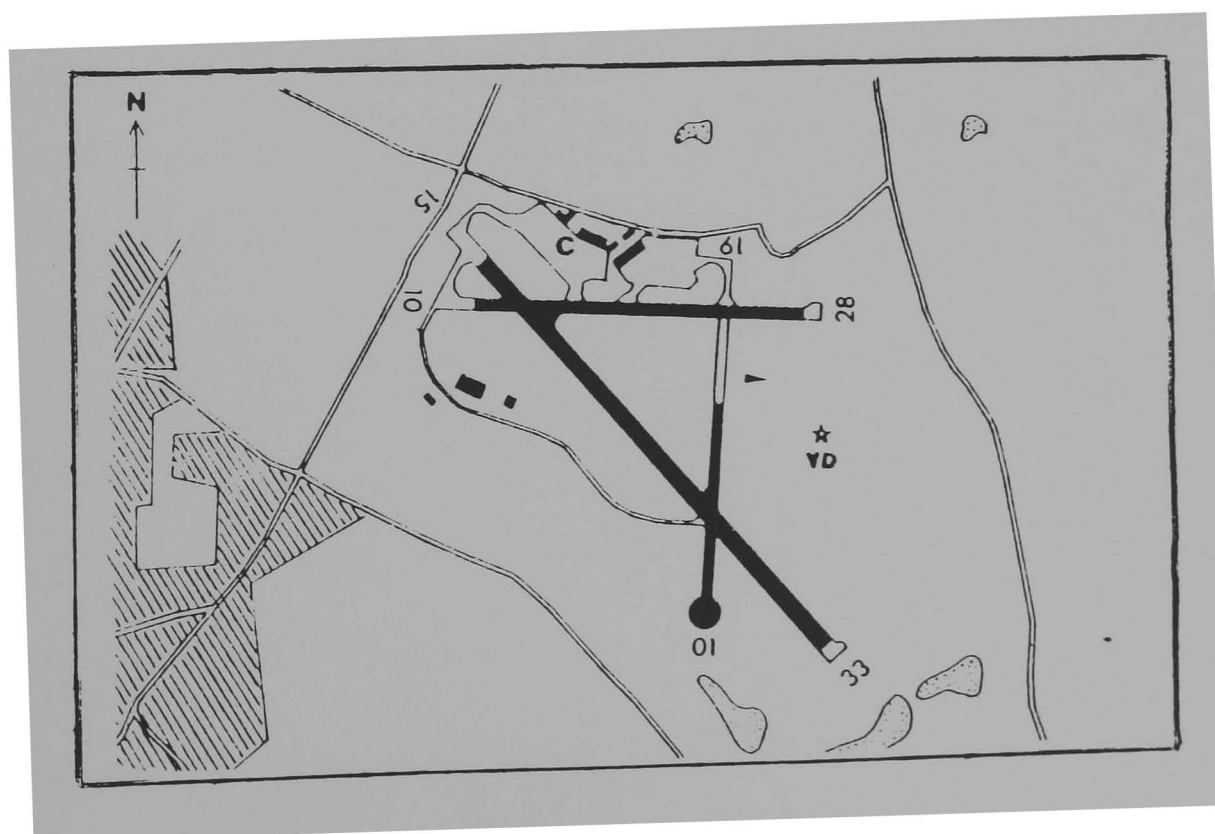


ILLUSTRATION OF THE LAYOUT OF AIRPORTS COMPETING WITH
MANCHESTER c 1982 Continued

(c) LIVERPOOL AIRPORT

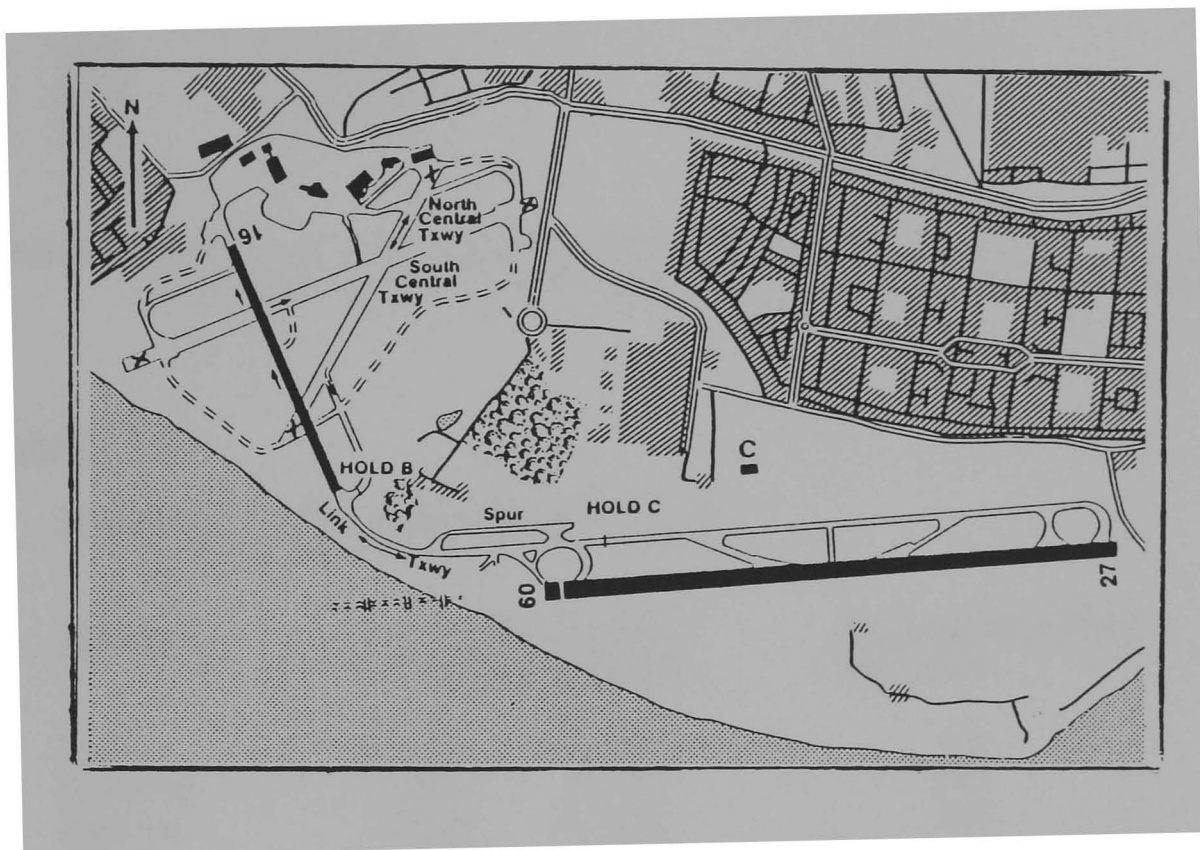


Table 2.1**VALUE OF BRITISH AIR FREIGHT 1925 TO 1927**

<u>YEAR</u>	<u>IMPORTS (£)</u>	<u>EXPORTS AND RE-EXPORTS (£)</u>
1925	1,183,175	403,761
1926	958,237	966,003
1927	1,251,921	1,439,346

Source: Report of the Committee to consider the Development of Civil Aviation in the United Kingdom, Cmd 5351, HMSO, London, 1937.

Table 2.2**WORLDWIDE CIVIL AIR TRANSPORT, 1929**

<u>COUNTRY</u>	<u>AIR ROUTE MILEAGE</u>		<u>REGULAR AIRCRAFT</u>
	<u>INTERNAL</u>	<u>EXTERNAL</u>	<u>EMPLOYED</u>
USA	24,407	10,791	400
Germany	9,850	6,650	345
France	1,504	14,496	238
Italy	3,504	3,973	80
Britain	Nil	5,305	21

Source: Air League of the British Empire, 1 November 1929

Table 2.3**BARTON AIRPORT, MANCHESTER, TRAFFIC STATISTICS 1934 - 1937**

<u>YEAR</u>	<u>AIRCRAFT MOVEMENTS</u>		<u>PASSENGERS</u>		<u>FREIGHT (lbs)</u>	
	<u>ARRV</u>	<u>DEPART</u>	<u>ARRV</u>	<u>DEPART</u>	<u>ARRV</u>	<u>DEPART</u>
1934	495	451	360	378	452	1,971
1935	1,554	1,558	2,282	2,171	9,906	17,125
1936	2,231	2,241	2,972	2,929	5,865	38,509
1937*	2,187	2,182	2,528	2,629	487	1,834

* 1937: eight months only

Source: Manchester (Barton) Airport, Traffic Returns - Commercial only, January 1934 - 31 August 1937

Table 2.4**RINGWAY AIRPORT, SUMMER TIMETABLE, 1948**

<u>DESTINATION</u>	<u>FREQUENCY</u>
Isle of Man	Twice daily
Belfast	Twice daily, except Sunday
Prestwick	Two flights per week
Dublin	Twice daily with three into and four flights out of Manchester on Sundays
Paris	Daily on weekdays, with one flight into Manchester on Sundays
Amsterdam	Same frequency as Paris route
Brussels	Weekly
Lourdes	Weekly

Table 2.5**NUMBER OF PASSENGERS CARRIED ON PRINCIPAL ROUTES FROM RINGWAY
AIRPORT, 1949 - 1953**

	<u>1949</u>	<u>1950</u>	<u>1951</u>	<u>1952</u>	<u>1953</u>
<u>DOMESTIC ROUTES</u>					
Belfast	13,194	15,623	19,057	23,945	26,139
Isle Of Man	15,071	16,359	13,319	19,893	23,430
Channel Islands	1,239	4,008	4,450	10,023	14,453
Liverpool	5,976	779	599	307	165
Exeter	-	93	-	-	-
Bournemouth	-	278	453	-	-
Newquay	-	122	449	-	-
London	-	1,181	-	12,274	28,131
Glasgow	212	849	10	1,810	10,841
Edinburgh	-	-	-	1,613	666
<u>International Routes</u>					
Dublin	27,830	27,694	36,554	41,498	44,149
Amsterdam	6,270	6,277	8,614	9,672	12,600
Brussels/Ostend	2,187	2,206	3,400	3,928	5,512
Paris	7,439	8,066	11,632	1,866	13,529
Zurich	4,050	3,073	5,488	4,036	7,665
Dinard	-	535	722	664	394
Dusseldorf	-	-	-	1,015	2,346
New York	-	-	-	-	265

Source: Ringway Airport, Estimates of Passenger Traffic and Aircraft Movements 1954-63, 15 February 1954, W Barker, B Com, AIMTA, Assistant Treasurer, and G Bardsley, Dip Arch (Manchester), ARIBA, Senior Assistant Architect.

Table 2.6**MANCHESTER'S SHARE OF THE UK MARKET AND THE UK EXCLUDING LONDON,
1951-1955**

<u>LONDON</u>	<u>TERMINAL PASSENGERS</u>		<u>TOTAL PASSENGERS</u>	
	<u>% UK</u>	<u>% UK EXC LONDON</u>	<u>% UK</u>	<u>% UK EXC</u>
1951	4.4	12.2	4.4	11.4
1952	5.2	13.9	5.4	13.3
1953	5.7	14.6	5.7	13.4
1954	5.9	14.7	6.1	14.1
1955	6.1	15.1	6.4	14.7

Source: Ministry of Civil Aviation, Summary of Activities at Aerodromes in the UK and the Channel Islands, 1952, 1953, 1954, 1955.

Table 2.7**FREIGHT AND MAIL HANDLED AT RINGWAY AIRPORT 1948 - 1953**

<u>YEAR</u>	<u>FREIGHT</u>	<u>MAIL</u>	<u>TOTAL (SHORT TONS)</u>
1948	524	2	526
1949	1,149	11	1,160
1950	1,939	25	1,964
1951	3,114	1,634	4,748
1952	2,731	2,132	4,863
1953	3,947	2,350	6,297

Source: Manchester Airport, Supplementary Report, Freight Traffic, August 1954.

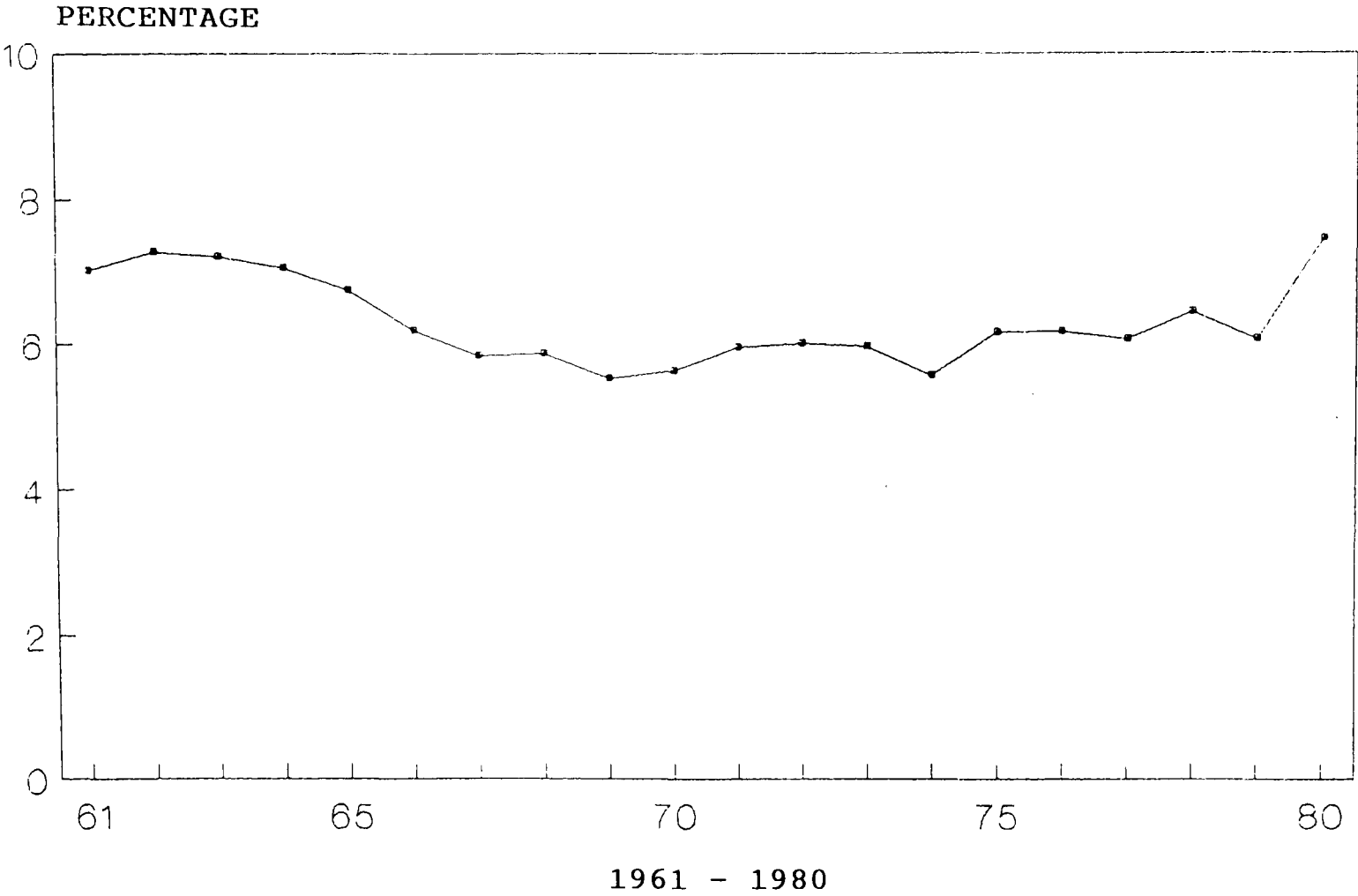
Table 2.8**FREIGHT (SHORT TONS) ON TRANS-ATLANTIC ROUTES AT MAJOR UK AIRPORTS,
1957-61**

	<u>LONDON</u>	<u>PRESTWICK</u>	<u>MANCHESTER</u>
1957	6,123	660	140
1958	6,807	539	221
1959	8,856	852	342
1960	11,105	973	618
1961	12,753	1,233	806

Source: City of Manchester, Airport Committee, 14 February 1963, Survey of Trans-Atlantic Traffic at Manchester Airport, W Barker, Town Hall

Figure 2.5

Terminal Air Passengers
Manchester as % of UK



Sources: CAA, CAP 375 Annual Statistics 1973, London, August 1975
CAA, CAP 490 UK Airports Annual Statements of Movements, Passengers and Cargo 1983, London, May 1984

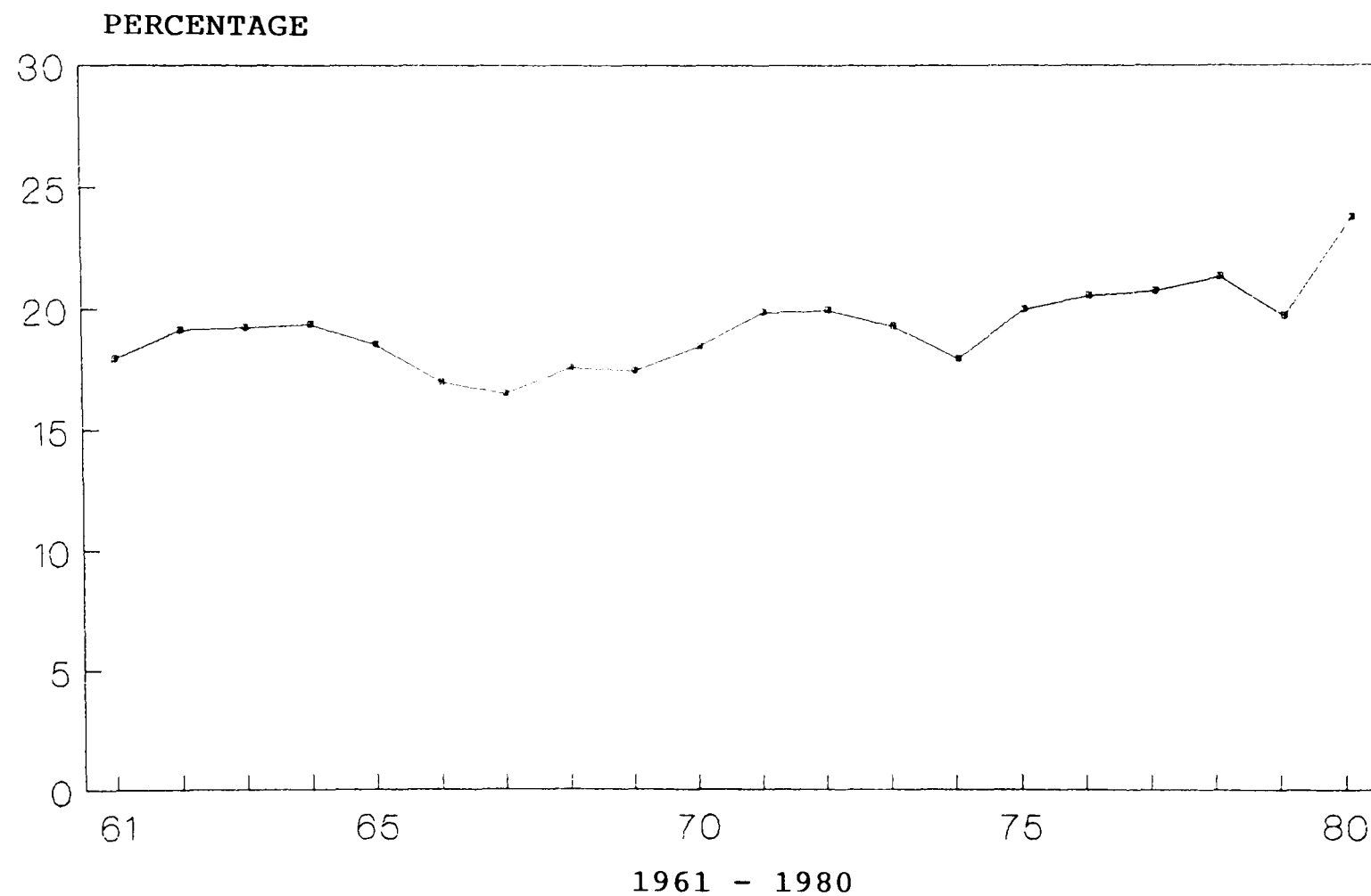
Table 2.9MANCHESTER AIRPORT TERMINAL PASSENGERS - DOMESTIC
(SCHEDULED) 1955 - 1980

<u>YEAR</u>	<u>NUMBERS</u>	<u>% CHANGE ON PREVIOUS YEAR</u>
1955	174,616	
1956	208,453	+19.4%
1957	243,586	+16.9%
1958	231,734	- 4.9%
1959	268,960	+16.1%
1960	391,632	+45.6%
1961	513,878	+31.2%
1962	517,921	+ 0.8%
1963	592,997	+14.5%
1964	728,626	+22.9%
1965	776,004	+ 6.5%
1966	738,848	- 4.8%
1967	692,447	- 6.3%
1968	675,177	- 2.5%
1969	656,916	- 2.7%
1970	686,404	+ 4.5%
1971	655,185	- 4.5%
1972	685,450	+ 4.6%
1973	743,846	+ 8.5%
1974	760,941	+ 2.3%
1975	772,291	+ 1.5%
1976	823,234	+ 6.6%
1977	725,664	-11.9%
1978	931,730	+28.4%
1979	942,491	+ 1.2%
1980	1,074,980	+14.1%

Source: Compiled from Annual Summaries of Traffic Statistics at
Manchester Airport (MA PLC Archive)

Figure 2.6

Terminal Air Passengers Manchester as % of UK (excl. London)



Sources: CAA, CAP 375 Annual Statistics 1973, London, August 1975
CAA, CAP 490 UK Airports Annual Statements of Movements, Passengers and Cargo 1983, London, May 1984

Table 2.10MANCHESTER AIRPORT TERMINAL PASSENGERS - INCLUSIVE TOUR 1963 - 1980

<u>YEAR</u>	<u>NUMBERS</u>	<u>% INCREASE ON PREVIOUS YEAR</u>
* 1963	91,655	
1964	125,001	+36.4%
1965	146,130	+16.9%
1966	171,641	+17.5%
1967	233,966	+36.3%
1968	301,547	+28.9%
1969	388,379	+28.8%
1970	521,843	+34.4%
1971	814,440	+56.1%
1972	999,814	+22.8%
1973	1,106,429	+10.7%
1974	863,805	-21.9%
1975	1,054,336	+22.1%
1976	1,129,200	+ 7.1%
1977	1,151,548	+ 2.0%
1978	1,485,691	+29.0%
1979	1,521,780	+ 2.4%
1980	2,047,036	+34.5%

* First year in which IT is recorded as a separate item

Source: Compiled from Annual Summaries of Traffic Statistics,
Manchester Airport (MA PLC Archive)

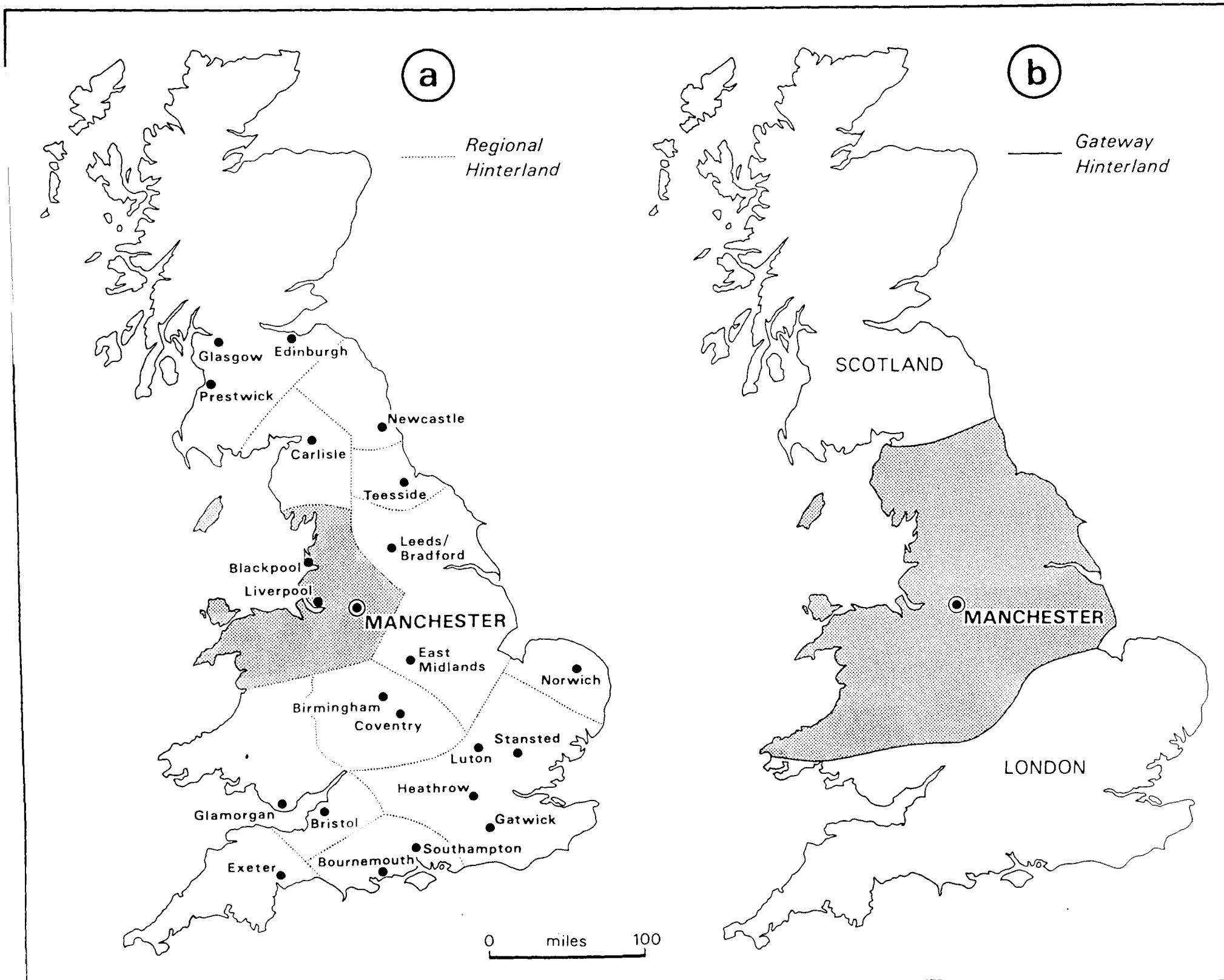


Figure 2.7

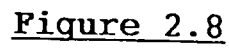
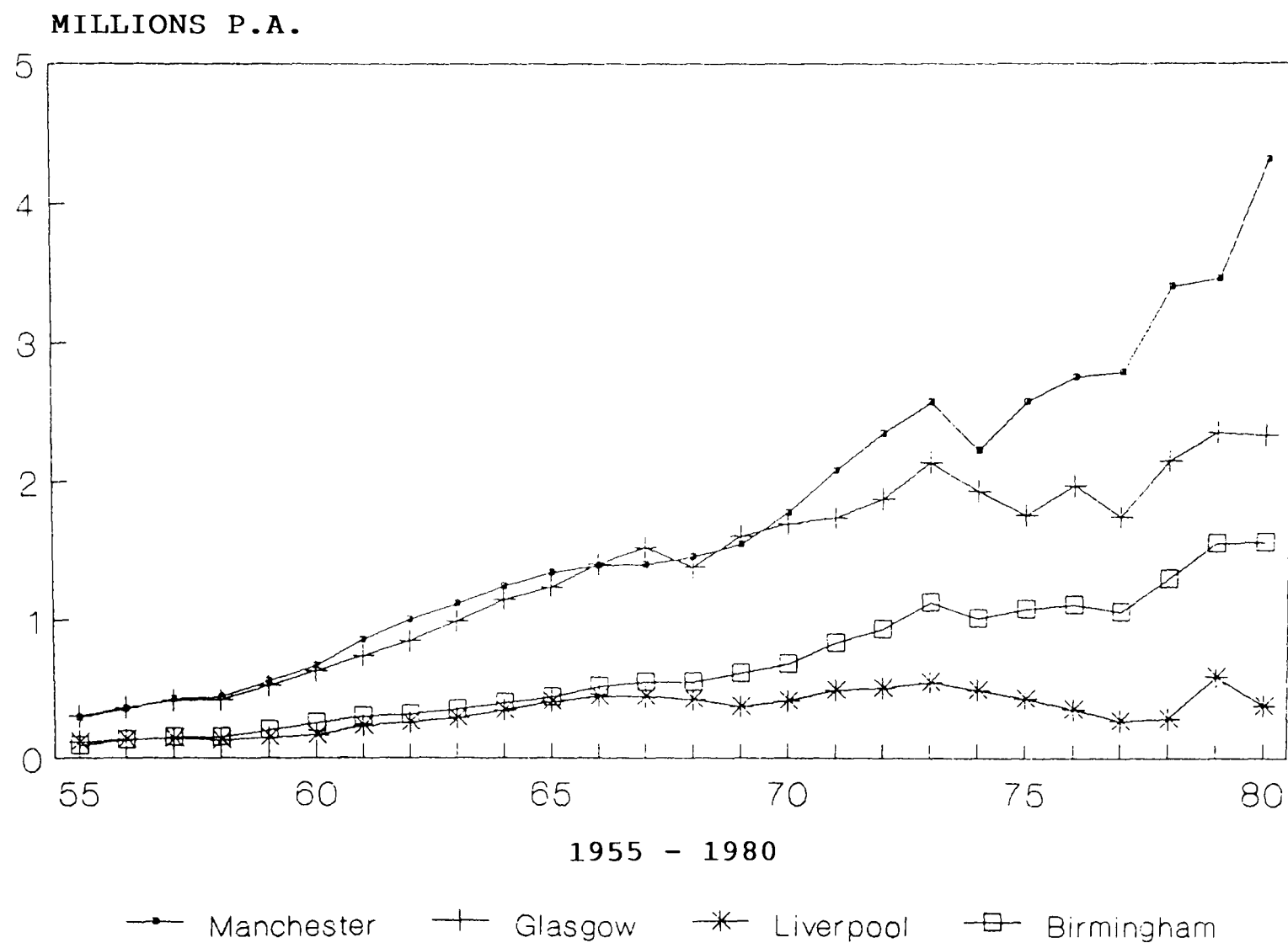


Figure 2.9

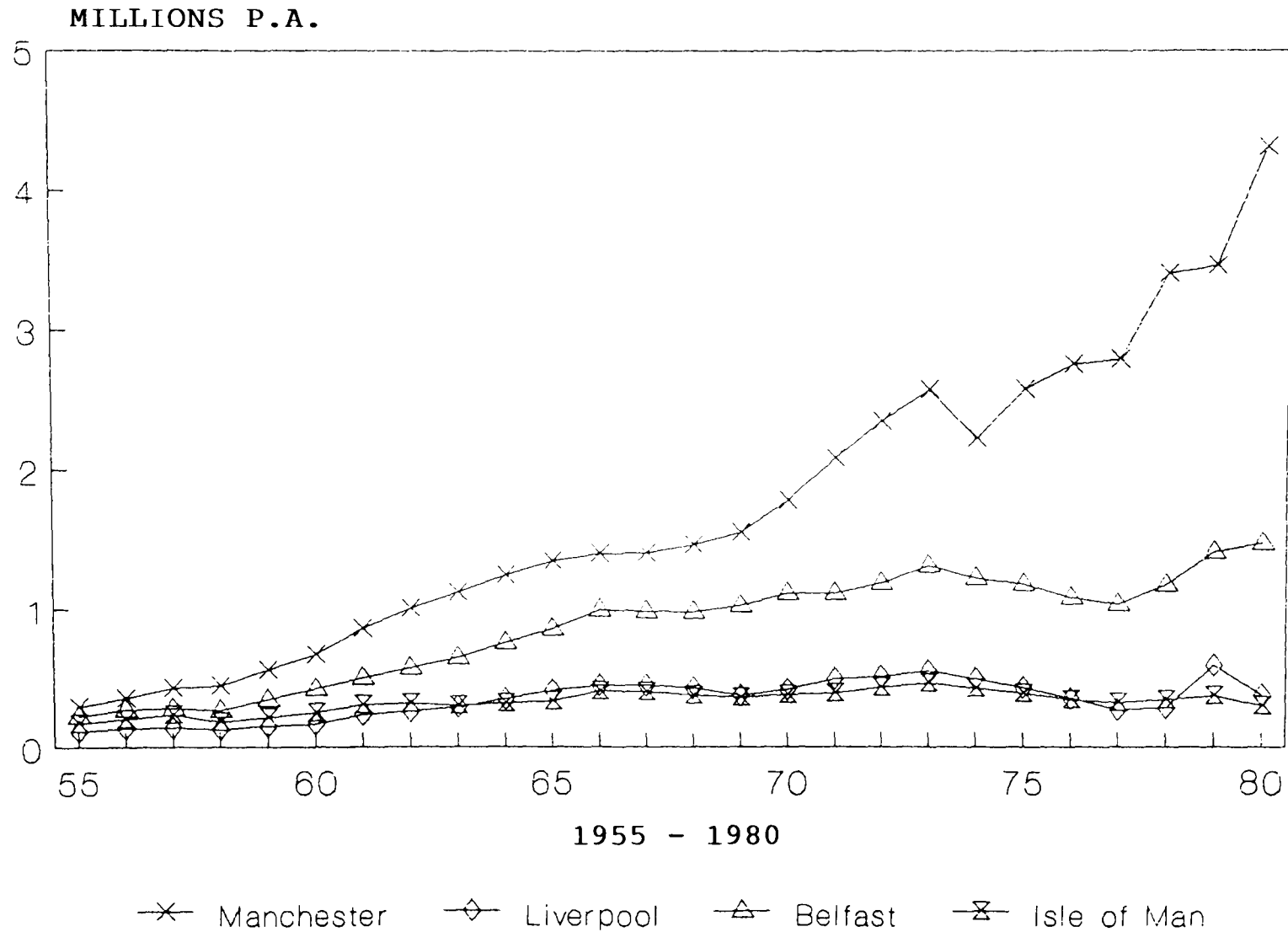
Terminal Air Passengers, 1955-1980 Selected UK Airports



Sources: CAA, CAP 375 Annual Statistics 1973, London, August 1975
CAA, CAP 490 UK Airports Annual Statements of Movements, Passengers and Cargo 1983, London, May 1984

Terminal Air Passengers, 1955-1980 Selected UK Airports

Figure 2.10



Sources: CAA, CAP 375 Annual Statistics 1973, London, August 1975
CAA, CAP 490 UK Airports Annual Statements of Movements, Passengers and Cargo 1983, London, May 1984

Table 2.11FLIGHT FREQUENCIES, DOMESTIC ROUTES PER WEEK, MANCHESTER LIVERPOOL
AND BIRMINGHAM AIRPORTS, 1970

<u>ROUTE</u>	<u>MANCHESTER</u>	<u>BIRMINGHAM</u>	<u>LIVERPOOL</u>
London	53	7	19
Belfast	21	19	12
Glasgow	16	17	10
Edinburgh	10	10	-
Isle of Man	17	1	32
Channel Islands	28	24	15

Source: Liverpool City Council, Liverpool Airport Market Research Study, Volume One, Scott, Wilson, Kirkpatrick & Patres, Consulting Civil & Structural Engineers, London; Economic Intelligence Unit, London, May 1971, p15

Table 2.12

MANCHESTER AIRPORT TERMINAL PASSENGERS - EUROPEAN AND TRANS-
ATLANTIC SCHEDULED ROUTES (INTERNATIONAL PASSENGERS MINUS INCLUSIVE
TOUR) 1963 - 1980 (NB: EXCLUDES DUBLIN/REPUBLIC OF IRELAND)

<u>YEAR</u>	<u>NUMBERS</u>	<u>% INCREASE ON PREVIOUS YEAR</u>
* 1963	219,714	
1964	169,208	-23.0%
1965	193,139	+14.1%
1966	227,358	+17.7%
1967	236,485	+ 4.0%
1968	241,526	+ 2.1%
1969	282,156	+16.8%
1970	329,068	+16.6%
1971	367,747	+11.8%
1972	408,893	+11.2%
1973	473,984	+15.9%
1974	451,341	- 4.8%
1975	487,047	+ 7.9%
1976	522,782	+ 7.3%
1977	598,647	+14.5%
1978	686,469	+14.7%
1979	660,217	- 3.8%
1980	719,048	+ 8.9%

* Complete time - series of inclusive tour passengers not available before this date.

Source: Compiled from Annual Summaries of Traffic Statistics,
Manchester Airport (MA PLC Archive)

Figure 2.11

Manchester Airport International Terminal Passengers



Compiled from Annual Summaries of Traffic Statistics, Manchester Airport (MA Plc Archive)

Table 2.13**MANCHESTER AIRPORT TERMINAL PASSENGER MIX (EXCLUDING PRIVATE) 1955 - 1980**

<u>YEAR</u>	<u>SCHEDULED</u>	<u>%</u>	<u>CHARTER</u>	<u>%</u>	<u>TOUR INCLUSIVE</u>	<u>%</u>	<u>TOTAL</u>
1955	289,922	97	9,617	3	-		299,53
1956	348,719	97	10,052	3	-		358,77
1957	414,316	95	22,770	5	-		437,08
1958	431,340	95	20,984	5	-		452,32
1959	483,421	98	11,316	2	-		494,73
1960	644,372	97	22,306	3	-		666,67
1961	821,964	96	34,666	4	-		856,63
1962	917,201	91	85,225	9	-		1,002,42
1963	930,363	83	94,481	9	91,655	8	1,116,49
1964	1,026,918	83	91,895	7	125,001	10	1,243,81
1965	1,244,574	84	98,274	7	146,130	9	1,488,97
1966	1,283,902	82	114,243	7	171,641	11	1,569,78
1967	1,302,374	80	101,706	6	233,966	14	1,638,04
1968	1,359,051	77	100,806	6	301,547	17	1,761,40
1969	1,467,687	76	79,933	4	388,379	20	1,935,99
1970	1,693,661	74	80,962	4	521,843	23	2,296,10
1971	1,180,082	57	88,723	4	814,440	39	2,083,24
1972	1,236,532	53	82,277	4	998,814	43	2,318,62
1973	1,370,735	53	104,316	4	1,106,429	43	2,581,48
1974	1,361,059	59	92,321	4	863,805	37	2,317,18
1975	1,408,459	54	123,888	5	1,054,336	41	2,586,68
1976	1,499,271	54	134,277	5	1,129,200	41	2,762,74
1977	1,482,819	53	158,289	6	1,151,548	41	2,792,65
1978	1,786,138	52	144,926	4	1,485,691	44	3,416,75
1979	1,768,593	52	148,929	4	1,521,780	44	3,439,30
1980	1,959,257	45	310,932	7	2,047,036	48	4,317,22

NB:

Scheduled = European and Trans-Atlantic Scheduled; Domestic Scheduled and Republic of Ireland Scheduled traffic. The larger proportion of charter traffic is trans-Altantic charter.

Source: Compiled from Annual Summaries of Traffic Statistics, Manchester Airport (MA PLC Archive)

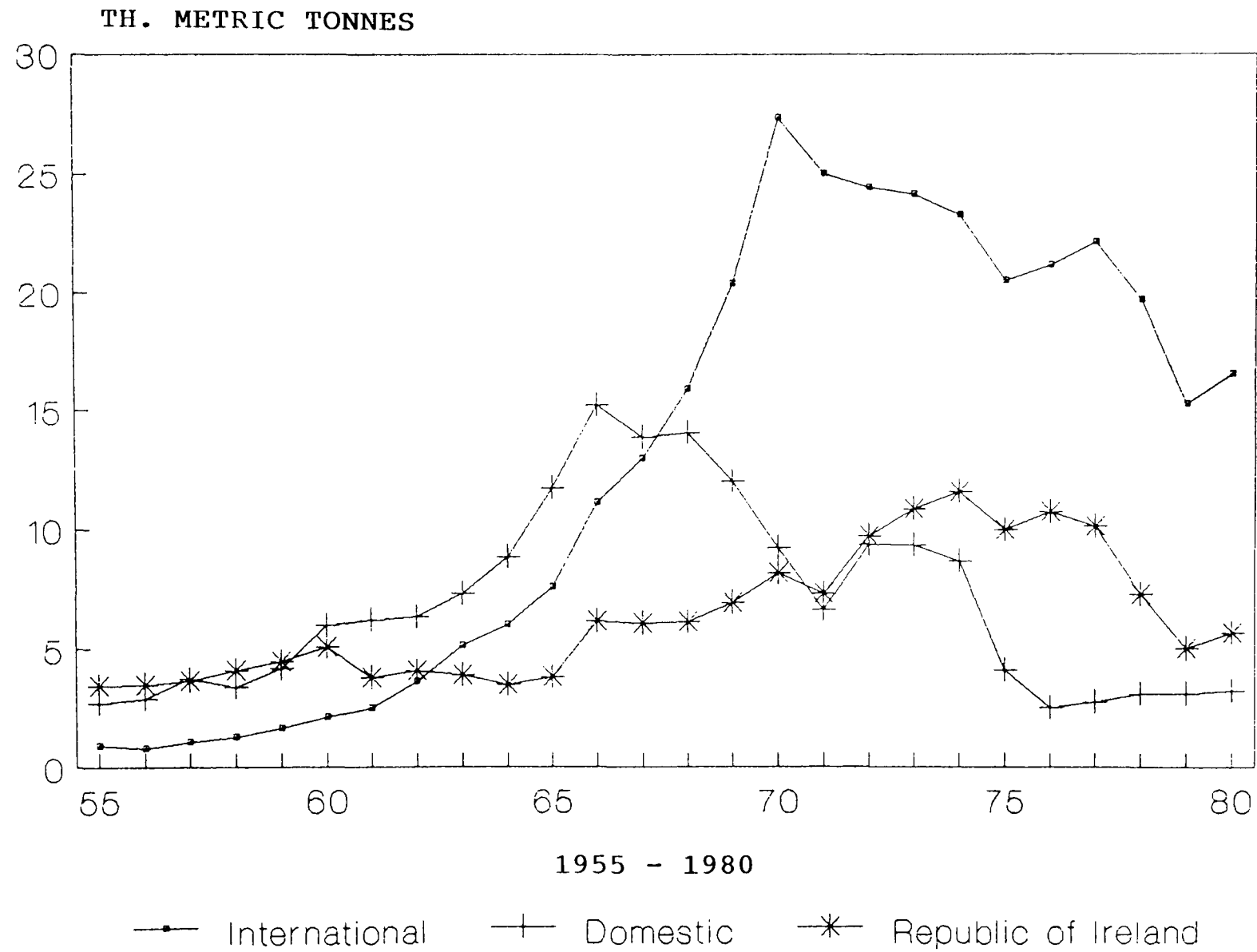
Table 2.14**TRAFFIC MIX AT MANCHESTER, BIRMINGHAM, GLASGOW AND LIVERPOOL
AIRPORTS, BY 1970**

	<u>International</u>	<u>Domestic</u>
Manchester	70%	30%
Birmingham	72%	28%
Glasgow	29%	71%
Liverpool	35%	65%

Source: Civil Aviation Authority, CAP 394, Passengers at Major Airports in Scotland and Central England, CAA, London, December 1976, pl1.

Manchester Airport - Freight

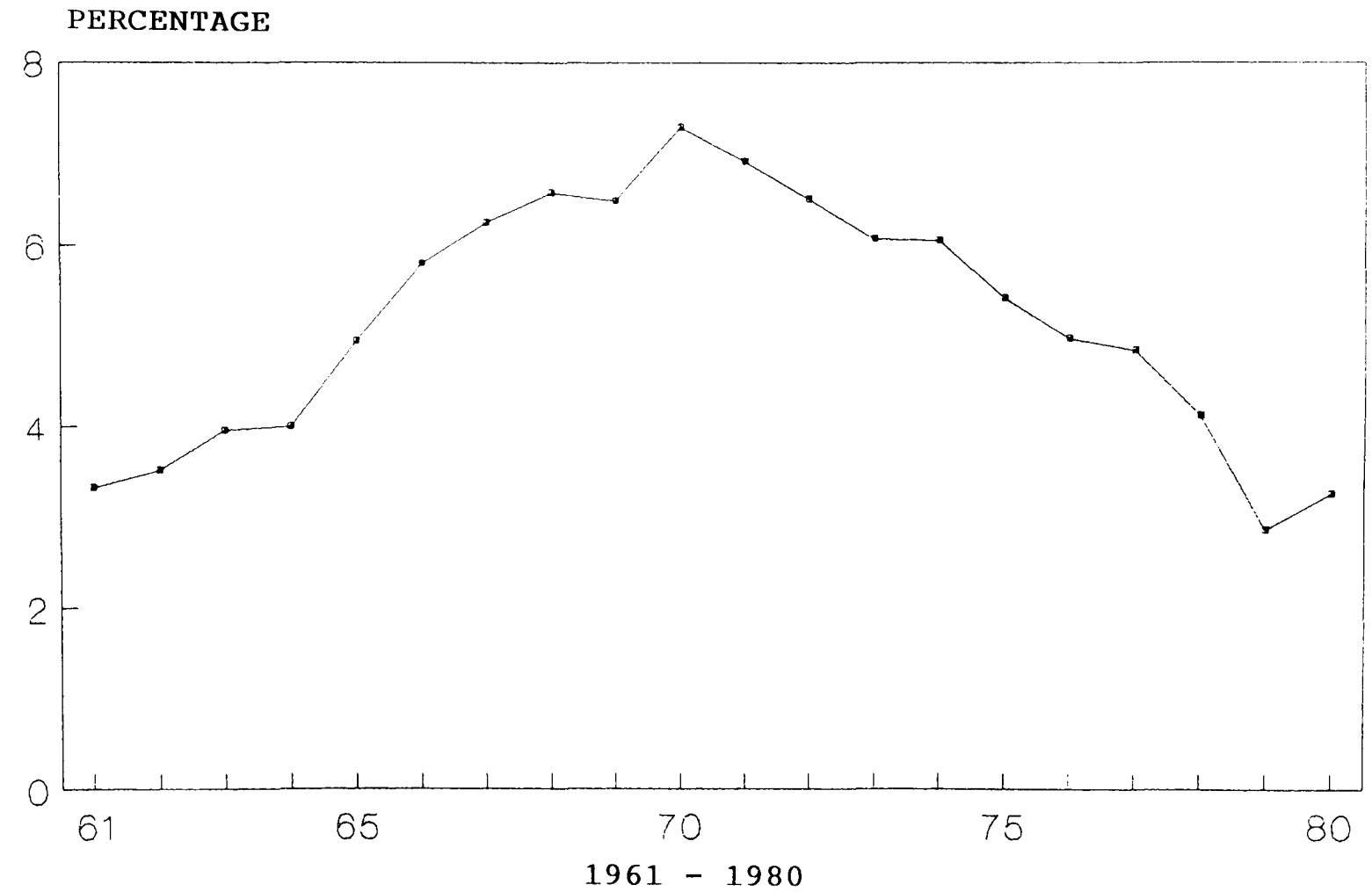
Figure 2.12



Compiled from Annual Summaries of Traffic Statistics, Manchester Airport (MA Plc Archive)

Cargo : Manchester as % of
Total UK tonnage

Figure 2.13



Sources: CAA, CAP 375 Annual Statistics 1973, London, August 1975
CAA, CAP 490 UK Airports Annual Statements of Movements, Passengers and Cargo 1983, London, May 1984

Table 2.15**INCOME AND EXPENDITURE ON AERODROMES BY COUNTY BOROUGHs IN ENGLAND
AND WALES 1936/7**

	<u>OPERATING INCOME £</u>	<u>OPERATING EXPENSES £</u>	<u>LOSS CHARGES £</u>
Birmingham	640	1,290	962
Blackpool	1,339	473	4,843
Bournemouth	-	-	231
Bradford	352	831	931
Brighton	1,437	2,812	1,675
Bristol	1,414	3,532	2,370
Carlisle	428	901	828
Coventry	693	229	3,410
Derby	632	421	806
Doncaster	396	2,511	1,701
Exeter	116	36	63
Gloucester	88	73	333
Grimsby	147	1,637	319
Hastings	151	146	1,467
Hull	157	1,535	1,830
Ipswich	511	354	1,061
Leeds	294	576	711
Leicester	923	2,392	3,559
Liverpool	14,293	17,470	10,494
Manchester	7,037	10,196	3,482
Newcastle on Tyne	951	1,339	2,274
Norwich	486	1,182	1,846
Nottingham	248	376	244
Oxford	212	304	921
Plymouth	616	349	1,490
Portsmouth	6,771	4,051	8,794
Southampton	5,545	5,819	4,027
Southend	334	889	965
Stoke on Trent	870	2,597	1,990
Walsall	692	1,047	731
Wolverhampton	187	671	2,534
York	135	259	832
Cardiff	470	-	-
Swansea	-	-	-

Source: Ministry of Health, Local Government, Financial Statistics
England and Wales 1936-7, Part II Local Authorities in London
and County Boroughs, HMSO 1939 pp 174-5

Table 2.16

ADJUSTED COSTS AND REVENUES FOR UK AIRPORTS AT CONSTANT 1969/70 VALUES

	<u>1969/70</u>			<u>1974/5</u>			
	TOTAL REVENUE	TOTAL COST	SURPLUS/ DEFICIT	TOTAL REVENUE	TOTAL COST	SURPLUS/ DEFICIT	% CHANGE IN TERMINAL PAS- SENGER TRAFFIC
1969/70 -1974/5							
<u>London Area Airports</u>							
Heathrow	25,985	18,784	+7,201	27,616	22,401	+5,215	+ 41
Luton	1,075	831	+ 244	1,565	1,586	- 21	+ 28
Gatwick	3,668	3,754	- 86	4,769	5,233	- 464	+ 63
Stansted	706	874	- 168	522	1,111	- 589	- 8
	_____	_____	_____	_____	_____	_____	_____
TOTAL	31,434	24,243	+7,191	34,472	30,331	+4,141	+ 45 4
	_____	_____	_____	_____	_____	_____	_____
<u>Regional Airports</u>							
Jersey	549	536	+ 13	567	628	- 61 (4)	+ 34
Southend	385	380	+ 5	275	334	- 59 (2)	- 39
Prestwick	2,764	2,792	- 28	1,839	2,379	- 540 (11)	- 2
Blackpool	88	137	- 49	92	151	- 51 (3)	+ 6
Guernsey	196	250	- 54	179	172	+ 7 (1)	+ 38
Manchester	3,407	3,117	- 70	3,600	4,646	-1,046 (18)	+ 27
Isle of Man	141	260	- 119	158	344	- 186 (7)	+ 18
Bristol	214	353	- 139	292	432	- 139 (5)	+ 40
Tees-side	120	330	- 210	190	395	- 205 (8)	+116
Edinburgh	539	759	- 220	549	1,260	- 711 (14)	+ 35
Leeds/Bradford	213	464	- 251	190	350	- 160 (6)	- 2

Table 2.16 Continued

ADJUSTED COSTS AND REVENUES FOR UK AIRPORTS AT CONSTANT 1969/70 VALUES Continued

	<u>1969/70</u>			<u>1974/5</u>			
	TOTAL REVENUE	TOTAL COST	SURPLUS/ DEFICIT	TOTAL REVENUE	TOTAL COST	SURPLUS/ DEFICIT	% CHANGE IN TERMINAL PASS ENGER TRAFFIC 1969/70 -1974/
<u>Regional Airports Continued</u>							
Belfast	859	1,140	- 281	663	1,216	- 553 (12)	+ 15
East Midlands	234	582	- 348	463	762	- 299 (10)	+126
Newcastle	338	750	- 362	467	762	- 295 (9)	+ 59
Glamorgan 2	141	568	- 427	194	1,028	- 833 (16)	+ 84
Birmingham	602	1,086	- 484	716	1,285	- 569 (13)	+ 49
Glasgow	1,700	2,415	- 715	1,202	2,213	-1,022 (17)	+ 7 3
Liverpool	436	1,246	- 810	349	1,170	- 821 (15)	+ 32
	-----	-----	-----	-----	-----	-----	-----
TOTAL	12,566	17,165	-4,549	11,985	19,525	-7,540	+ 25 4
	-----	-----	-----	-----	-----	-----	-----
OVERALL TOTAL	44,000	41,408	+2,642	46,457	49,802	-3,399	+ 38 4
	-----	-----	-----	-----	-----	-----	-----
TOTAL EXCEPT HEATHROW	18,015	22,624	-4,559	18,841	27,461	-8,520	

Table 2.16 Continued

ADJUSTED COSTS AND REVENUES FOR UK AIRPORTS AT CONSTANT 1969/70 VALUES Continued

Notes:

- 1 Costs, revenues and profits have been deflated to equivalent 1969/70 money values.
- 2 1970/1 figures.
- 3 Affected by a series of strikes.
- 4 Weighted average figure.

Source: Doganis, Professor R, and Pearson, Roy, The Financial and Economic Characteristics of the UK Airport Industry, Polytechnic of Central London, 1977.

Table 2.17**MANCHESTER (RINGWAY) AIRPORT - OPERATING SURPLUS, 1935/6 - 1980/1**

<u>YEAR</u>	<u>OPERATING EXP £</u>	<u>OPERATING INCOME £</u>	<u>OPERATING SURPLUS £</u>
1935/6	1,116	707	- 409
1936/7	1,937	255	- 1,682
1937/8	2,378	1,693	- 685
1938/9	11,321	5,266	- 6,056
1939/40	16,151	14,582	- 1,569
1940/1	31,931	53,327	+ 21,396
1941/2	33,785	50,095	+ 16,310
1942/3	34,640	53,147	+ 18,507
1943/4	34,999	54,570	+ 19,571
1944/5	33,575	56,944	+ 23,369
1945/6	34,473	60,927	+ 26,454
1946/7	45,493	49,813	+ 4,320
1947/8	40,142	62,948	+ 22,806
1948/9	71,601	84,543	+ 12,942
1949/50	76,167	76,288	+ 121
1950/1	71,715	82,050	+ 10,335
1951/2	93,100	88,567	+ 4,533
1952/3	130,624	122,198	- 8,426
1953/4	163,005	141,199	- 21,806
1954/5	182,221	175,683	- 6,538
1955/6	199,421	213,304	+ 13,883
1956/7	228,352	234,508	+ 6,156
1957/8	275,078	334,704	+ 59,626
1958/9	319,630	395,196	+ 75,566
1959/60	337,798	486,207	+ 148,412
1960/1	387,252	566,963	+ 179,711
1961/2	600,987	856,211	+ 255,224
1962/3	721,981	1,049,856	+ 327,875
1963/4	899,606	1,239,478	+ 339,872
1964/5	901,329	1,325,103	+ 423,774
1965/6	934,761	1,523,704	+ 761,366
1966/7	1,019,433	1,780,799	+ 761,366
1967/8	1,170,281	1,931,944	+ 761,663
1968/9	1,446,556	2,159,450	+ 712,894
1969/70	1,602,910	2,457,016	+ 854,106
1970/1	2,159,565	3,053,058	+ 893,493
1971/2	2,462,527	3,821,687	+1,359,160
1972/3	2,855,336	4,290,024	+1,434,688
1973/4	3,379,535	5,127,919	+1,748,384
1974/5	4,519,567	5,404,249	+ 884,682
1975/6	6,307,224	8,009,553	+1,702,329
1976/7	8,080,069	10,596,152	+2,516,083
1977/8	13,240,327	15,535,420	+2,295,093
1978/9	17,773,200	19,829,000	+2,055,800
1979/80	19,630,408	23,107,970	+3,477,562
1980/1	22,560,155	32,214,951	+9,654,795

Table 2.17 ContinuedMANCHESTER (RINGWAY) AIRPORT - OPERATING SURPLUS, 1935/6 - 1980/1
Continued

- Notes: (1) The calculation of operating surpluses/deficit encompasses all regularly recurring operating expenditure and income but also includes various miscellaneous items:-

Operating Expenditure includes:-

Air Raid Precautions, Auxiliary Air Force and Volunteer Reserve, War Damage, Contribution to National Defence, Airways Terminus (1947/8 - 1965/6) but not debt charges on Airways Terminus, Estate Maintenance, Special Works, Loan Fund Expenses and Contributions to Renewals Funds.

Operating Expenditure excludes:-

Expenditure levied out of the Rate for capital purposes and Revenue Contributions to capital outlay, debt charges and taxation.

Operating Income includes:-

Government Contribution to ARP, Auxiliary Air Force and Volunteer Reserve refund of costs and loan charges, War Damage Compensation, Compensation for remaining ARP, Government contribution to Health Control, Ministry contributions to Special Works/Extraordinary Repairs, Airways Terminus, Government Security Grant, Fees for collection of Navigation Service Charge, Estate Maintenance.

Operating Income excludes:-

Interest received, Ministry contributions to Expenditure out of the Rate, Government Grant to capital outlay.

- (2) The operating surpluses recorded for 1940/1 to 1950/1 may be misleading as sources included Central Government refund of loan charges in respect of facilities provided for the Auxiliary Air Force and Volunteer Reserve. From 1939/40 to 1955/6 substantial sums accrued under this income lead ranging from £3,343 in 1934/40 to between £16,000 and £23,000 in subsequent years.

Table 2.17 ContinuedMANCHESTER (RINGWAY) AIRPORT - OPERATING SURPLUS, 1935/6 - 1980/1
Continued

Source: Compiled from statistics available in:

- (1) City of Manchester, Abstract of Accounts 1946/7 - 1973/4 and Estimates 1965/6 - 1973/4
- (2) CIPFA Financial Costs and Statistics of Local Authority Airports 1977/78; Accounts and Statistics of Local Authority Airports 1978/9 - 1981/2
- (3) GMC Abstract of Accounts year ended 31.3.75, 76, 77 and 78; Annual Report and Accounts 1979/80
- (4) Annual Reports of MIAA.

Table 2.18**MANCHESTER (RINGWAY) AIRPORT - NET SURPLUS 1935/6 - 1980/1**

<u>YEAR</u>	<u>TOTAL INCOME</u>	<u>EXPENDITURE</u>	<u>NET SURPLUS</u>
£	£		(DEFICIT) £
1935/6	707	1,116	(409)
1936/7	225	2,820	(2,565)
1937/8	1,693	5,888	(4,195)
1938/9	-	-	-
1939/40	14,582	28,630	(14,048)
1940/1	53,327	56,297	(2,970)
1941/2	50,095	61,829	(11,734)
1942/3	53,147	61,740	(8,593)
1943/4	54,570	62,512	(7,942)
1944/5	56,944	65,531	(8,587)
1945/6	60,927	61,203	(276)
1946/7	49,813	72,102	(22,199)
1947/8	62,948	66,358	(3,410)
1948/9	84,543	110,085	(25,542)
1949/50	76,288	102,113	(25,825)
1950/1	82,050	94,466	(12,416)
1951/2	88,566	116,604	(28,038)
1952/3	122,198	160,902	(38,704)
1953/4	141,199	188,305	(47,106)
1954/5	178,043	210,530	(32,487)
1955/6	213,943	230,183	(16,240)
1956/7	234,830	267,815	(32,985)
1957/8	335,322	322,744	12,578
1958/9	395,264	394,073	1,191
1959/60	505,234	411,736	93,498
1960/1	566,963	494,770	72,193
1961/2	856,211	746,850	109,361
1962/3	1,049,856	1,001,436	48,420
1963/4	1,247,086	1,210,666	36,420
1964/5	1,330,648	1,302,152	28,496
1965/6	1,529,876	1,307,001	222,875
1966/7	1,807,337	1,479,433	327,904
1967/8	1,965,781	1,592,721	373,060
1968/9	2,215,998	1,843,277	372,721
1969/70	2,522,861	2,102,871	419,990
1970/1	3,135,061	2,635,486	499,575
1971/2	3,902,764	2,921,337	981,427
1972/3	4,413,837	3,555,012	858,825
1973/4	5,250,333	4,445,608	804,725
1974/5	5,689,629	6,148,592	(458,963)
1975/6	8,138,858	8,074,743	64,115
1976/7	10,649,961	9,968,734	681,227
1977/8	15,940,702	14,952,635	988,067
1978/9	20,169,000	17,190,633	2,978,367
1979/80	24,373,000	22,621,697	1,751,303
1980/1	32,215,000	28,420,000	3,795,000

Table 2.18 ContinuedMANCHESTER (RINGWAY) AIRPORT - NET SURPLUS 1935/6 - 1980/1
Continued

NB: Calculation takes account of debt charges, expenditure out of the Rate levied for capital purposes, revenue contributions to capital outlay, taxation and interest on investments.

Source: Compiled from statistics available in:

- (1) City of Manchester, Abstract of Accounts 1946/7 - 1973/4 and Estimates 1965/6 - 1973/4
- (2) CIPFA Financial Costs and Statistics of Local Authority Airports 1977/78; Accounts and Statistics of Local Authority Airports 1978/9 - 1981/2
- (3) GMC Abstract of Accounts year ended 31.3.75, 76, 77 and 78; Annual Report and Accounts 1979/80
- (4) Annual Reports of MIAA.

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P A R T I

M U N I C I P A L E N T E R P R I S E
A N D T H E L O C A L E

CHAPTER THREE

THE INSTITUTIONAL FRAMEWORK: MUNICIPAL OWNERSHIP AND MANAGEMENT

3.1 INTRODUCTION

The primary aim of Chapter Two was to present an overview of the process of growth and development at Manchester Airport. This provides a general framework for the main core of the study - a detailed appraisal of the institutional setting - at local and national levels - within which growth and development has taken place. This chapter aims to discuss the impact of municipal ownership structures on the development of Manchester Airport which may by its nature be regarded as operating in an international commercial environment. A key objective is to ascertain the extent to which the mode of ownership affected the development process through policy formulation, the setting of specific goals and the provision of a stable yet evolving institutional framework to accommodate the needs of a growing and rapidly changing industry.

The operation and management of airports is a branch of the Local Government Service which differs from any other service or trading undertaking in that it extends beyond the bounds of the administrative area. Nevertheless, local authority airports are subject to the consequences of characteristics of Local Government in general - which are not encountered in other forms of enterprise - deriving in part from the internal organisation of the Service and from the close association with central government. For example, it is clear that the overall policy makers, that is, the elected members, may regard the pursuit of political goals as of primary significance. Therefore, in studying the growth and development of a municipal airport it is necessary to identify the potential constraints and advantages which flow from the nature of municipal ownership structures in general. Emphasis is placed upon the manner in which airport operation has been subsumed into local authority structures and the consequences of existing alongside other related services.

The chapter is divided into two main sections. The first addresses the formulation of airport development policy, and the second considers the nature of the management process under municipal ownership. Thus

the consequences of municipal ownership may be examined both from the perspective of elected member and officer. The first section is further sub-divided in order to initially identify policy objectives set by the Manchester Corporation and subsequently discuss the broader implications of municipal ownership structures from which policy objectives were derived.

It is argued that although the development of Manchester Airport cannot be regarded as a typical local enterprise because of the extended market served, the injection of a local involvement in setting the agenda for development undoubtedly made a positive contribution to the growth process. Despite the potential constraints on investment decisions introduced by municipal ownership structures, the end result of decision making processes has been the promotion of Manchester as a centre for civil air transport. The evolving development policy has tended towards "enterprise", technological awareness, effective marketing and the pursuit of economic ends. The pursuit of political ends has been of secondary consideration. It is further argued that whilst municipal ownership structures promoted development, as the scale of activity increased and financial independence was achieved, this was accompanied by a conscious policy to afford greater autonomy to the Airport both financially and managerially. Thus airport operation became increasingly insulated from the potential conflict with other priorities, establishing it on a self-supporting basis operating at arms length from the broader local authority setting.

3.2 THE FORMULATION OF AIRPORT DEVELOPMENT POLICY

3.2.1 Policy Objectives for Civil Air Transport in Manchester

Despite the failure of early attempts to establish scheduled air services in Britain in the 1920s, as previously highlighted, it is clear that the Manchester Corporation supported the view that a potential market for air transport in the City existed, given its role as a commercial and business centre. For the Corporation, the returns of the Provincial Bank Clearing Houses provided sufficient evidence of the relative prosperity of the North West which could support the new venture. (1)

As suggested in Chapter Two, the Corporation was quick to consider possible landing grounds and to establish a special sub-committee of the City Council to formulate concrete proposals to provide adequate

facilities to cope with the perceived needs of business and commerce. Fundamentally, the construction of the Barton aerodrome in 1930 reflected a recognition by the Corporation of the need to provide an aerodrome with the necessary facilities to ensure, at an early date, the introduction of scheduled air services providing a direct air link joining the commercial and industrial community of Manchester and its hinterland with other large cities in the British Isles and on the continent. (2)

Records suggest that the Manchester Corporation was willing not only to provide facilities for air services, but also to consult and act upon the advice of the airlines - their immediate customers. For example, in 1928 representatives of Imperial Airways had been consulted regarding the case for establishing air transport facilities in Manchester, and although the Company had advised that the immediate development of internal routes was "out of the question" and that supplementary continental and direct continental air services were similarly "very improbable" involving uneconomic distances of less than 200-250 miles, the Corporation had been encouraged by the fact that in the longer term the Company envisaged the possibility of the City fulfilling a need for an intermediate station between for example, Edinburgh and Glasgow in the North and Croydon in the South. (3)

The responsiveness to the needs of airlines and their changing aircraft fleets is a factor which has figured consistently in the development of Manchester Airport. In Chapter Two the operational problems at the Barton Aerodrome which prompted the search for an alternative site were highlighted. It is suggested that the main impetus for change came from the airlines. In 1938, Corporation representatives sought to negotiate with the Royal Dutch Airline, KLM, the possibility of a direct service between Manchester and Amsterdam or Rotterdam via Hull. The Chief Pilot of KLM, Captain Smirnoff, who landed the Fokker 12 at Barton on 22 January had inspected the aerodrome and virtually condemned it:

" Even with the maximum extensions this ground will never fulfill the conditions necessary for commercial flying. . . Taken from the meteorological standpoint this is the worst flying ground of any known to me in Europe. . . The surrounding obstructions such as high tension pylons, high factory chimneys and high radio masts make the approaches to the ground very dangerous. . . Our advice to the local authorities is not to spend more on this ground, but to try to find a more open ground in the neighbourhood of Manchester." (4)

Clearly the decision to establish Manchester's second airport had been influenced by such judgements.

The subsequent development of the Ringway site (as detailed in Chapter Two) likewise proceeded with the general objective of providing "sufficient" facilities to cater for the needs of rapidly changing aircraft design, providing ever longer runways and larger terminal facilities. For example, the runway extension programme of the 1960s had been prompted by the airlines intimating in the 1950s that Boeing 707s and the like would be brought into service in the next decade. It is important to note however, that underpinning such investment decisions was the Corporation's interpretation of the market and the potential role envisaged for the airport. During the 1930s the City aspired to providing air communications with other large towns in the UK and the Continent, but after the Second World War objectives regarding the role of the airport in an international market were extended, despite the difficulties of accurately forecasting the requirements of new aircraft designs.

In the 1950s, although the need to encourage direct links with the Continent was still regarded as important, efforts were by then directed towards placing Manchester in a favourable position to act as a trans-Atlantic terminal with the ultimate intention of increasing the frequency of service on trans-Atlantic routes, making it more convenient to interline at Manchester rather than London or Prestwick. As trans-Atlantic airports tended to be dependent for the greater part of their revenue on tourism, to maximise traffic steps were taken to try to encourage US and Canadian airlines to operate through Manchester as most tourists preferred to travel by their national airlines or charters. (5) For example, in furtherance of the Airport Committee's policy of stimulating the choice of Ringway as a British port of call by trans-Atlantic airlines, the Town Clerk corresponded with Trans-Canada Airlines of Montreal regarding the possibility of establishing a direct Canada - Manchester service. However, at the time, the traffic volume between the UK and Canada was shared with BOAC and it was only at the height of the summer season that the Company felt it could operate more than one daily flight between the two countries. Previous obligations had required the Company to land some of these flights at Prestwick and others at Shannon en route to London. It was suggested that Ringway would have to be another en route stop on other flights

terminating at London as it seemed that insufficient traffic would originate at or be destined for Ringway to allow it to act as a terminal point. It was argued that in the first instance this would increase considerably the overall time of flights. However, more importantly, the use of Ringway Airport would have required a modification of the UK-Canada bilateral agreement which it was thought would meet with serious objections from the UK air authorities who already felt that they had been more than generous in allowing Trans-Canada to land both at Prestwick and London on some of its trans-Atlantic flights. (6)

In essence, the encouragement of trans-Atlantic traffic represented an attempt to establish Manchester Airport as the second largest airport in Britain. (7) In deciding in the 1950s to extend the main runway to 7,000 feet, the Airport Director had supported the project on the expectation that half the trans-Atlantic traffic at Prestwick would be attracted to Manchester and that a number of continental and North American airlines might transfer their operations. It was also asserted that much of the northern traffic could be attracted away from London. (8)

At the public inquiry into the proposed stopping up of roads to accommodate runway extension from 5,900 feet to 7,000 feet held in 1958, Manchester Corporation's air policy was stated unequivocally,

" It is the policy of the City Council, who are the owners of the airport, to develop it so that it may attract and retain direct services to all parts of the world that are justified by the commercial and industrial importance of the densely populated area served by the airport" (9)

Development throughout the next decade was again geared towards providing facilities to cater for the largest aircraft of the time which operated on trans-Atlantic services, despite the incidence of surplus capacity. The primary object of extending the runway to 9,000 feet had been to allow Manchester Airport to take its place in the category of the largest airports by international standards, as laid down in Annex 14 to ICAO and by the Ministry of Aviation standards as laid down in "The Licensing of Aerodromes" (CAP 168). (10)

On this basis, it is argued that the policies of the Manchester City Council regarding airport development were progressive and forward thinking in responding to the opportunities offered by the growth of British civil aviation. Particularly, in the development phase of the

1950s and 1960s such policies were significant in transforming latent demand into effective demand.

Given the commercial and trading role of the City, it is perhaps to be expected that the Corporation should be convinced, at an early stage, of the potential market for air services. However, from the outset, the Corporation's ambitions extended beyond the City's boundaries. As far as the airport's immediate catchment area for trans-Atlantic traffic is concerned the Corporation envisaged it extending from Stafford, Oswestry and Nottingham in the South to Penrith and Durham in the North bounded by the east and west coasts. Manchester was regarded as the hub of a group of towns including Leeds, Bradford, Halifax, Huddersfield, Wakefield, Dewsbury, Sheffield, Stoke-on-Trent and "5 towns", Stafford, Chester, Crewe, Northwich, Warrington, Runcorn and Widnes, Liverpool, Birkenhead, Preston, Blackburn, Burnley, Salford, Altrincham, Bolton, Bury and Rochdale. As the bulk of the trans-Atlantic trade of this area passed through the ports of Liverpool and Manchester, it was felt that similar conditions would apply to Manchester Airport as a trans-Atlantic facility. (11) In essence, the major objective of the Corporation was to provide "adequate" facilities, (despite the potential risks of investment in airport infrastructure referred to in Chapter One), which would increase the likelihood of capturing the more lucrative markets in trans-Atlantic and other international traffic. This in turn increased the revenue earning potential of the airport in a number of ways.

Two major sources of revenue for airports may be identified. Firstly, aeronautical or traffic related income arises from charges levied on the airline per aircraft landing, per passenger handled and charges levied for the parking of aircraft. The second source of revenue, termed non-aeronautical or commercial revenue, may be generated from rents for office accommodation and other facilities, from recharges to tenants for the cleaning and heating of areas occupied and from a variety of commercial outlets like restaurants, banks, car parks or shops which may be let as concessions. (12)

In general, the pattern of costs at any airport is, in large part, determined by traffic characteristics. The distinction between scheduled aircraft movements and non-scheduled may be important as passenger loads in the latter are larger for any given aircraft type. If plane load sizes affect labour and equipment requirements or the

sizes of passenger terminal departure and arrival lounges then variations in the relative composition of total aircraft movement rate between scheduled and non-scheduled movements will be important in determining varying levels of planned labour and equipment requirements and hence varying levels of costs for any planned level of capital investments in the capacity of the facilities. The size distribution of aircraft movement rate may also be important. For example, aircraft weight which is highly correlated with size and which varies directly with aircraft freight and passenger loads, is an important determinant of aircraft "footprint" pressure and hence runway, taxiway and apron wear and tear, affecting variations in unobserved depreciation, maintenance and replacement costs. As far as maintenance costs are concerned, non-scheduled movements - due to high load factors - tend to be more service intensive than scheduled movements, that is maintenance of a non-scheduled movement is greater than a scheduled movement. Maintenance costs are also affected by average passenger loads imposed on passenger transit areas. (13)

The distinction between international and domestic passenger traffic is also relevant as in addition to services provided by airports to domestic traffic, international traffic requires a variety of certification services with the need for customs buildings or receiving halls, in-transit lounges, etc. Variations in passenger traffic mixes may, therefore, result in variations in cost centres affected by changes in these facilities and services. (14) As for capital cost, in the long run passenger terminal areas and sizes of departure and arrival lounges, other passenger transit areas and runway, taxiway and apron systems including aircraft stands, piers, gates, etc, will be tailored to the average planeload size using the airport. (15)

The costs of airport operation will, therefore, vary for different sizes of airport and different traffic mixes, each airport will have a relatively unique cost structure. Thus in developing pricing structures for the use of airports, the general economic rule would be to charge on the basis of marginal cost. However, because of the high fixed costs of small airports, it is unlikely that charges fixed on such a principle would enable the airport to cover its costs. (16) If general subsidies for airport operations are rejected, then there is the problem of raising sufficient revenue to cover costs, while at the same time ensuring that charges do not deter traffic and lead to under

utilisation of the airport. If there are opportunities for substitution, that is, say for trans-Atlantic flights, Paris is a very close substitute for London, a rise in the landing fee for London may bring about a substantial diversion of traffic. The corollary is that if all competing airports in a region raised landing fees there would be little effect on air transport movements but the demand for a particular airport's operations may be affected if it alone put up its fees. The main reactions may be expected from those operators for whom displacement to another airport is not expensive, such as the package tour and charter firms. (17)

In respect of charging policies, the tendency within the industry has, therefore, been towards a uniform pricing structure for aviation related costs and emphasis has been placed upon budgetary objectives rather than the efficient allocation of resources. Given that accounts are presented in terms of historical costs, the pursuit of budgetary objectives can lead to economically perverse pricing since the airports which were constructed first are low cost and therefore low priced. (18) Certainly, Manchester Airport, in developing facilities at a very early stage, may fall into this category.

However, of equal significance has been the second principle in airport pricing, that of "ability to pay". This "taxation" pricing policy takes account of the resources of the aircraft operator in providing a particular type of service and the ability to recover from passengers a reasonable proportion of airport costs within a competitive fare structure. (19) The tendency has been towards charging higher landing fees for the larger aircraft operating on international routes. Moreover, the principle of "ability to pay" has also underpinned the levying of passenger service charges since their introduction in May 1952. This charge was initially levied on operations in respect of aircraft flying for hire or reward, whose next stopping place was not in the UK, Isle of Man or Channel Islands. Thus the initial financing of passenger terminals was provided by international and intercontinental passengers alone. The subsidisation of domestic traffic again complied with the rule of thumb for landing fees, that relatively large payload aircraft, deployed on international and intercontinental routes have a greater ability to pay than relatively smaller payload aircraft deployed on domestic routes. With relatively large payload revenues on international and

intercontinental flights, operators are more likely to be insulated from the effects of a passenger service charge than operators on shorter domestic routes. (20) In the 1970s, the Passenger Service Charge was replaced by a Passenger Load Supplement which applied to all passengers both domestic and international, although a differential rate was maintained to reflect the different level of service required in passenger terminal buildings. With the introduction of the differentiated Passenger Load Supplement, it could be argued that efforts were being made to more nearly reflect real costs, but the differential in itself reinforces the principle of ability to pay and given the other objective of making airports pay, may be regarded as purely an alternative sources of revenue which had remained untapped in the past. (21)

Because of the nature of charges levied at UK airports, the objective of securing trans-Atlantic and other international traffic at Manchester Airport has been significant in increasing the scale of activity. Although trans-Atlantic flights may have been few in comparison with total flights, they have been of disproportionate importance from the revenue point of view. The larger aircraft used on such routes have been liable for fees calculated on an "all-up weight" of aircraft basis irrespective of the number of seats occupied and the surcharge for flights beyond Europe doubled the landing fee. The importance of trans-Atlantic traffic to Manchester Airport may be indicated by estimates prepared for 1962/3 which assumed that revenue from trans-Atlantic services would be about £250,000 or one third of the total revenue accruing from landing fees, baggage handling and passenger service charges. (22)

In addition to maximising the aeronautical revenue earning potential of the airport, the promotion of international traffic also allowed revenue sources to be diversified with a greater proportion being generated by commercial outlets or concessions. Fundamentally, a concession is a right to use land or premises to sell goods or services. A concession contract does not create a tenancy or confer any right to the exclusive use or occupation of land or premises. In granting concessions the object of the airport authority is to ensure that an increasing level of trade in the concession area will be reflected in the payments made to the airport authority. A reduction in passenger traffic could reduce the level of payments received and so

a guaranteed minimum payment of not less than the amount the authority would receive from a tenant is often written into the contract. (23) An arrangement which usually represents the closest compromise to the ideal source of income which is relatively insulated from reductions in traffic, yet at the same time increases in step with inflation, is given by the charging of a basic rent for the space occupied coupled with a concession charge given by an agreed percentage of turnover. (24)

As far as the historical development of concessions at UK airports is concerned, after the Second World War concessions generally existed only for the services necessary to provide for the basic needs of the passengers, such as catering areas, newsagents and small gift shops. (25) By 1959, certain continental airports like Brussels, Copenhagen, Amsterdam and Shannon were offering passengers on foreign flights the facility to obtain duty free goods in order to maximise revenue. The potential of this activity had been adequately demonstrated, particularly at Shannon, where it was found that many American passengers returning to the US specifically flew via Shannon to obtain the benefit of duty free goods. In one year, £1¼ million pounds worth of business had netted £100,000 for the Shannon Airport Development Committee. (26) By the 1960s, Duty Free Shops and other concessionary facilities became increasingly regarded as a source of revenue which could potentially reduce the level of income required from direct charges on aircraft and airline passengers. (27)

The potential for maximising non-aeronautical revenue is determined in large part by total airport passenger throughput. Non-aeronautical revenue per passenger increases because as traffic increases so the number of different types of concessions activities that it is able to sustain rises, provided sufficient terminal space is made available to accommodate concessions. (28) However, for any given throughput which an airport handles, the proportion of international passengers will be significant in determining the potential for earning non-aeronautical revenues. International passengers generally spend longer in the terminal building and commercial areas, especially the duty free facility therefore commercial revenue per international passenger is much greater than the corresponding revenue from domestic passengers. (29)

It may be argued - especially by those on the airline side of the

civil air transport business - that in order to be viable, an airport needs substantial commercial operations and the corollary of this is that to be attractive to concessionaires, a high volume of passenger throughput on international services is required and this volume will not be forthcoming if an authority is reluctant to provide the necessary capital investment to fulfill the requirements of larger aircraft both in terms of runways and terminal facilities. (30)

In general, a number of stages of airport revenue development may be identified. For the small airport with low passenger throughput attempting to attract air services, income from rents may be low because of low demand, nevertheless, in terms of the proportion of non-aeronautical income deriving from this source, the contribution may be relatively high as any regular air service requires basic services which are not divisible, such as offices, maintenance areas, stores, etc. (31) Secondly, the small airport will have no concessions or they will be only partially developed, thus airport revenues will be dominated by aeronautical sources. (32)

At a level of about 200,000 to 500,000 terminal passengers per year, greater pressure will be exerted on terminal space so rents will be more commercially related. Scope will be improved for the development of some concessions and at this level of throughput, approximately 15-20% of revenue may accrue from non-aeronautical sources. However, if an airport remains primarily a domestic facility, it is unlikely that further development will take place. (33)

It is argued that with the development of terminal facilities at Manchester Airport and the encouragement of international traffic, the Airport Committee achieved the diversification of revenue sources which would sustain future growth and development. An examination of Table 3.1, Income from Rents and Concessions as a Percentage of Total Income at Manchester Airport, suggests that up to the mid 1950s, the characteristics of the "small" airport were displayed, where a relatively high proportion of income is derived from non-aeronautical sources, largely in the form of rents. With the opening of the new terminal building in 1962, a gradual trend of increasing proportions of revenue accruing from non-aeronautical sources set in a trend which was reinforced by the terminal building extension of 1974. Table 3.2, Aeronautical Revenue as a Proportion of Total Revenue, Manchester Airport, supports the contention that with the growth and development

of airport facilities came a diversification of income sources, with the proportion of revenue deriving from aeronautical sources declining sharply from 1962/63. Finally, Table 3.3, Concession Terms and Income, 1973-75, provides evidence of the range of concessions activity taking place in extended terminal facilities.

In essence then, the need to compete with other airports to capture and retain air services translated into a policy of providing superior facilities at Manchester Airport which - given the natural wide catchment area highlighted in Chapter Two and the positive encouragement of international traffic - ensured that the financial structures necessary to sustain future growth and development would evolve. However, it is significant that in determining the level of aeronautical charges, the municipal owners of Manchester Airport similarly exercised caution and were selective in judging "what the traffic would bear" in order to develop a sound financial basis for future growth and development.

Prior to the Second World War, the aeronautical charges imposed at Manchester's airports of Barton and Ringway conformed to the Aerodrome Owners' Association "Standard Schedule of Aerodrome Fees and Charges". A schedule of landing fees was introduced by the Ministry of Civil Aviation to operate at all state controlled aerodromes from 4 July 1946, however, as a municipally owned airport, these charges did not have to apply at Barton and Ringway. (34) In contrast to the 1930s, in the post war years, the owners of Manchester Airport exercised judgement in considering the recommendations of the AOA and did not necessarily adhere strictly to the recommendations of this body. For example, with respect to fees for night landing, the AOA schedule for 1948 had provided that the fee for night landing should be the normal daytime charge, although flexibility was introduced in that the aerodrome owner was free to make further charges at night or at any other time for the provision and operation of aerodrome lighting and other night flying facilities. At the time, the practice at Ringway had been to charge a night landing fee double the normal daytime fee and, in considering the recommendations of the AOA, this position had been modified, but only to the degree that the excess charge was amended to 50% over and above the normal daytime charge for night landings. (35)

During the 1950s, although not obliged to do so, the Airport

Committee moved increasingly towards the application of landing fees and other charges in operation at state aerodromes, regarding these larger aerodromes as the major competitors for traffic. When the Ministry introduced the Passenger Service Charge in 1952, the City followed suit levying a charge of 5/- per passenger departing on international flights. At the same time, the surcharge on the landing fees for heavy intercontinental traffic was increased from 50% to 100%, again keeping in line with state aerodromes. (36) In respect of short-haul rebates, Manchester Airport adopted an 80% rebate for stages of scheduled flights not greater than 45 statute miles; 70% for stages greater than 45 miles but not greater than 80 miles and 55% for stages of more than 80 miles but less than 115 miles, all in common with the Ministry of Aviation rebates. In contrast, the optional rebates recommended by the AOA were less, being 70%, 50% and 33% respectively. In this sense, Manchester offered similar incentives to domestic traffic as those offered at the state owned aerodromes. (37)

During the 1960s and 1970s, the basic objective of the municipal custodians of the Airport remained the extension of direct air services overseas, whilst ensuring that the financial security of the Airport should not be placed in jeopardy. The overriding principle applied was that the financial structure had to sustain investments which appeared to be necessary to the Airport's total development. (38) Whilst many local authorities believed that traffic would bear only a modest level of charges and, therefore, the only way to attract traffic was to offer financial incentives, the Manchester International Airport Authority and its predecessor the Airport Committee contended that if such incentives became a permanent feature of an airport's financial structure, their withdrawal at any time would cause traffic to disappear. (39) This does not mean that Manchester wholly rejected financial incentives but that discrimination was exercised in their application.

As early as 1966, the Airport Directors of Manchester, Birmingham, Glasgow and Liverpool had agreed upon a general pattern determining the extent to which landing fee concessions could be granted. Although the granting of a concession was to remain a matter for individual airport authorities, certain principles were agreed upon. Concessions were to relate to landing fees only and not to other transactions such as baggage and freight handling charges or rentals, which could be subject

to considerable local variations. Concessions on existing routes could only be granted in exceptional circumstances; on domestic routes concessions were not to be granted in cases where the reduced landing fee for short stage flights already applied; concessions for a new service which merely supplemented an existing service provided by another operator could not be granted except where both operators were in the first year of operation when any concession applied equally to both. Any concession granted was to be initially limited to 50% for the first year of operation and continuance into a second year was to depend upon the load factor achieved in the first year, the degree of regularity with which the service was operated and the amount of promotion of the route undertaken by the operator. (40)

Within the context of this general framework, concessions had been granted in the early 1970s, for example, to British Airways, to operate new routes from Manchester to Geneva, to Munich, to Nicosia and to Milan. After operating the first two services with a 50% reduction in landing fees for two years, the passenger load factors were found to be only 21.1% and 22.5% respectively and although British Airways had wanted the concessions to be granted for a further period the Airport Authority decided not to extend the concession judging it to be unwise to continue concessions on routes which showed no immediate sign of profitability. (41) Clearly, in the long run, the Airport Authority was not prepared to subsidise its airport users and in principle, deemed it more appropriate in attempting to attract traffic to convince airport users that appropriate facilities were being provided to the standard required. (42)

In the early 1970s, complications were introduced to the charging policy with the Government price legislation designed to curb inflation in the economy as a whole. Having constantly reviewed the level of airport charges in order that increases in the cost of labour, materials and services could be taken into account, in the 1970s the normal resistance of airlines and other airport users to increases in charges was reinforced by price restrictions. (43) In November 1972, measures were introduced involving a complete standstill on prices and wages for a limited period of 90 days followed by a further period of 60 days. Under the terms of the price restraint airport charges could be increased for scheduled international flights only from 1 April 1973, all other charges to domestic and charter air services and all

landside charges were subject to the standstill. Similarly, proposals to increase charges after 28 April, that is during Stage II of the price freeze, were subject to criteria determined by the Price Commission. (44) Whilst operating within the constraints of price legislation, the costs of airport operation at Manchester continued to increase rapidly and although basic landing fees were increased from £1.10 per tonne to £1.20 per tonne, this increase was lower than the average rate of cost increases. Given the adverse economic conditions which were affecting airlines at the time it was decided to restrict the increases in charges relating to aircraft and compensate for this by increasing the variable element applying to passenger aircraft. Effectively, this recognised the need to develop the carriage of goods by air and the requirement to recover a substantial part of revenue charges from the Passenger Load Supplement intended to cover the costs of services provided for passengers in terminal buildings. These charges had not been increased since November 1970, whereas the costs of providing terminal facilities at Manchester had escalated particularly with the opening in 1974 of a third pier, multi-storey car park and other extension to the terminal building. (45) In Table 3.4, Breakdown of Aeronautical Revenues, Manchester Airport, the long term effect of this change of policy regarding passenger related charges may be reflected in the proportion of aeronautical revenue deriving from this source, increasing from between 10% and 14% in the period 1969/70 to 1974/75 to 25% to 30% in the period 1976/77 to 1978/79.

As suggested in Chapter Two, within a year of the impact of the oil crisis in 1973, many regional airports were suffering from the effects of attendant price increases and cut-backs of air services. In September 1976, the Joint Airports Committee of Local Authorities considered five alternative formulae for increasing revenue in real terms on the basis of a five year programme. Proposals put forward by Manchester Airport were accepted as the most effective method of equating revenue with costs in the future. Thus, from 1 April 1977, most regional airports in the UK embarked upon a five year plan for increasing charges in real terms and in the same year, the principle of standardising on charges was reinforced by the coming together of JACOLA and the AOA to create the Joint Airport Charges Committee (JACC). (46)

The scheme for the planned development of airport charges in the UK

supported by JACC, envisaged the following rates of increase in real terms for application to the basic charges applying on 1 April 1977 and on 1 April of the following four years:-

	<u>Annual Rate of Increase</u>
Basic landing fee	2½%
Navigation Service Charge (at airports where the CAA did not prescribe the charge)	2½%
Passenger Load Supplement	10%
Aircraft Parking Charge	2½%

Source: JACOLA and the AOA, Recommendations regarding the charges to be applied at member airports on 1 April 1977.

These rates were added to the inflation rate, being the moving annual increase in RPI which applied during the 12 months ended on 31 July in the previous year. An airport was at liberty to adopt the recommended increases or defer them, so the recommended standard charges effectively formed a "ladder" as illustrated in Table 3.5. Charges at airports which had achieved or expected to achieve a required rate of return could remain on a lower rung of the ladder until financial circumstances required adoption of the recommended standard. Within the structure it was recognised that each airport should consider an array of means by which the financial position could be improved, for example, aid in the form of revenue subsidy or Government/EEC grant to finance capital development, subsidy from the Local Authority in recognition of the value of the airport to the local community and finally the maximisation of non-operational revenues. (47) In effect, the plan was designed to prescribe charges which would enable all member airports to recover the costs of providing airport services. In reality most of the airports involved in the scheme had to adopt the recommended charges either because their surpluses were insufficient to warrant a drop down the ladder or deficits were being incurred. (48)

With respect to its place in the scheme, by the 1970s Manchester Airport was in a much more favourable financial position than its counterparts, so in applying the scheme a number of considerations were taken into account.

Firstly, regarding its competitive position with the London airports, account was taken of the fact that charges levied at

Heathrow, Gatwick and Stansted owned by the British Airports Authority were generally lower than at the provincial airports. Manchester Airport was in a position to adopt charges below those recommended by JACC which would place the airport in a more competitive position than for example, East Midlands, Birmingham, Leeds/Bradford and Liverpool. However, another consideration had to be the heavy demands which would be placed upon the Runway Renewals Fund and the General Reserve Fund over the next few years. (49) Whilst making provision for future development, the authority also had to consider that being the largest provincial airport at that time, Manchester was open to the criticism that it had adopted the common charging structure purely as a means of amassing substantial profits. Its pre-eminent position could have been threatened if major airlines had been able to point to indications that a monopoly pricing policy was fleecing air travellers to the benefit of the Manchester ratepayers. In such circumstances, airports like Birmingham, East Midlands, Liverpool and Leeds/Bradford could have modified charges by providing a temporary rate subsidy in the hope of gaining a substantial increase in diversion of traffic away from Manchester. (50)

Following a reference to the Office of Fair Trading, the JACC was disbanded in 1981. However, during the period of operation of the JACC scheme for the planned development of charges, the Manchester International Airport Authority was able to increase the level of Passenger Load Supplement by about 46% and the basic landing fees by about 11% in real terms. (51) These increases were achieved despite the fact that Manchester - being in a more favourable position than its counterparts - operated on a lower rung of the "ladder". For example, whilst the JACC recommended an overall landing charge of £4.20 (per $\frac{1}{2}$ tonne over two tonnes) to apply from April 1978, at Manchester Airport a lower fee applied, as rather than adopt the recommended £2.10 for the navigation services element of the landing charge a reduced charge of £1.75 was adopted. Thus the overall landing charge for domestic and international flights at Manchester was £3.85. Similarly, in the next year the airport adopted the JACC landing fee element of the landing charge, but maintained the navigation services element at £1.75 two steps below the JACC recommendation. (52)

In demonstrating an awareness that the financial needs of the airport had to be balanced against the needs of the airline companies,

and rejecting the opportunity for possible gain from the adoption of a monopoly pricing policy during the period of the JACC development plan, reasonably good relations were maintained with the airlines which had been convinced that by adopting staged increases in charges the Airport Authority was only trying to provide contributions to renewals funds and reserves for asset replacement and obtain a reasonable rate of return to the parent authorities. (53) Data provided in Table 3.2, Aeronautical Revenue as a Proportion of Total Revenue, Manchester Airport, tends to support the argument that Manchester Airport did not use its prominent market position to charge monopoly prices to airport users. In the absence of the ability to earn substantial revenues from concessions prior to 1961, aeronautical revenues constituted an increasing proportion of total revenue. This began to reduce in subsequent years and although the proportion of income derived for aeronautical revenue increased during the period of the JACC charging scheme 1977/78 to 1980/81, the increase was marginal. The Table indicates that in fact the proportion of revenue derived from aeronautical sources tended to be cyclical suggesting a firmer relationship with the development of traffic and the investment cycle rather than any specific monopoly pricing policy.

After the disbanding of the Joint Airport Charges Committee, the common charging policy came to an end. Differentials in the charging structures of provincial airports in the North of England were more apparent and Manchester Airport was again in a more competitive position than other provincial airports which competed for its traffic, as shown in Table 3.6.

As suggested, the policy in respect of aeronautical charges adopted at Manchester Airport generally secured the goodwill of the airlines and the development of air services throughout the period of rapid development of the civil air transport industry and the subsequent years of economic restraint. However, it should also be noted that Manchester Airport had to some degree reaped advantage from its exclusive provision of baggage and freight handling services in securing a sound financial strategy for development and in this respect, evidence suggests a fundamental conflict with airline interest. From Table 3.4, it is clear that the provision of this service has always formed a major source of revenue for the airport since charges were introduced in 1951/2. As early as 1961, the issue

was taken to the High Court of Justice by British European Airways which disputed the airport's right to perform "apron handling services", ie the handling of baggage, cargo, mail and stores from and to aircraft which land or take off from the airport, moving steps up to the aircraft, positioning aircraft chocks, etc. Charges for such services had risen on a number of occasions and BEA argued that the charges were excessive, reflecting monopoly provision where there was no incentive to minimise costs. On this basis the Company claimed the right to provide its own apron handling services. (54)

Basically, this case centred on the interpretation of various clauses of the Air Navigation Order, 1960. For example, in issuing an aerodrome licence the Ministry of Aviation granted the use of an aerodrome for the take-off and landing of aircraft engaged in flights for the purpose of the public transport of passengers subject to the major condition that the aerodrome should be "available to all persons on equal terms and conditions". However, subject to this condition, nothing in the licence conferred on any person the right to use the aerodrome "without the consent of the licensee". In essence, BEA argued that the Corporation could not stop them from landing their aircraft at the aerodrome, so long as they were willing to pay the appropriate charges for landing and that the condition of availability on equal terms and conditions gave the company the right to use the aerodrome without observing any conditions which the licensee might choose to impose. It was also argued that the right to land carried with it the right to do everything incidental to landing and that even if the Corporation were entitled to impose conditions subject only to providing the same condition for all, such conditions could only relate to the actual take-off or landing or the aircraft. (55)

The Corporation argued that as owners of the airport, they retained all the ordinary rights of owners of land, except in so far as those rights were limited by statute. The right to regulate the use of the aerodrome and make charges for that use depended partly on the fact that the Corporation was owner and partly on the fact that the rights as owner were largely governed by special provisions rendered necessary for protection of the public. The statutory limitations imposed upon the Corporation did not give BEA the absolute right to use the airport, but only the right to use the airport on the same terms and conditions as all other users. In effect, the Corporation contended that it could

impose whatever terms and conditions for use were deemed necessary subject only to the Minister's powers to control their charges and the conditions prescribed by the Minister for the performance of services under powers established in Article 62 of the Order. (56)

The High Court found in favour of the Corporation, so BEA proceeded to the High Court of Appeal arguing that it could perform apron handling services much more cheaply with its own staff to land and unload the baggage not only of their own aircraft, but the aircraft of many other airlines for whom they acted as agents. BEA allegedly claimed that they could make a saving of £36,000 if they carried out services themselves, but no evidence was produced to support this claim. (57) Again it was judged that under the Air Navigation Order, 1960, the Corporation could impose "equal terms and conditions" as to the use made of the airport by airlines in regard to bringing porters, vehicles and equipment onto the aerodrome. As long as the terms and conditions were equal for all users such a conditions was legitimate. Any other view would lead to an "absurd result" that each airline would be able to have its own porters, vehicles and equipment at Manchester Airport and be able to go to and from their aircraft at will, which could lead to chaos. It was also judged that there could be no difficulty about the charges as the maximum charges could be laid down by the Minister under Article 62 of the Order. (58)

Table 3.4 suggests that prior to BEAs complaint regarding the airport's exclusive provision of baggage and freight handling the proportion of aeronautical income derived from this source had increased from the late 1950s, which may have reflected increased costs and monopoly pricing. At the time baggage and freight handling tended to be a labour intensive activity and the greater proportion of any increase in charges reflected in larger part the wage awards for staff engaged on baggage and freight handling. In this sense BEA may have been justified in its contention that costs were escalating unnecessarily as a result of the Corporation giving way to excessive pay demands. However, it may similarly be contended that BEA's claim to be able to discharge this function at a lower cost than that being incurred by the airport was misleading. For the airport, achieving the quickest turn round of all aircraft - irrespective of the operator involved - had to be a priority. To achieve this substantial numbers of staff needed to be employed for a number of off-peak hours when few

aircraft would need to be handled, with the object that when the peak occurred, there would be no delay in turn round. Apron handling charges therefore, always appeared to be greater than the cost of providing labour and equipment for the actual period of loading and unloading. (59)

In summary, it is argued that the owners of Manchester Airport, convinced of the potential for the development of air services from the City, adopted what might be described a "progressive policy" towards airport development. The progressive nature of this policy is reflected in a number of ways. Firstly, in an era of difficulty in forecasting the requirements of new aircraft designs, the Corporation demonstrated a willingness to consult and act upon the advice of the airlines, constantly responding to the needs of their new aircraft fleets. An awareness of the need to compete with other airports for traffic is also apparent, but priority was given to development of facilities to attract and retain air services rather than offering financial incentives which could have in the long term threatened the financial stability of the airport. In developing airport facilities at an early stage, substantial advantage was gained in that such facilities were, therefore, provided at relatively low cost. Given the application of the principle of ability to pay in pricing the resources of the industry, in the adoption of progressive policies geared towards the provision of facilities to cope with international traffic, the owners of Manchester Airport successfully consolidated its financial position at an early stage, diversifying revenue sources, which contributed towards the relative market domination in the 1960s which was highlighted in Chapter Two. In respect of aeronautical charges it is significant that whilst applying the same principles pursued elsewhere in the UK, the owners of Manchester Airport effectively adopted pricing structures to suit their own objectives rather than following the norm. An awareness of the need to compete with the state aerodromes for the market has been a constant feature of the charging policy adopted at Manchester Airport, and this has been complemented by a rejection of the adoption of the widespread use of incentives to attract traffic. It is clear that by the 1970s, with consolidation of the market position, Manchester Airport was in a position to undercut its regional competitors and generally this was the policy pursued rather than the abuse of potential monopoly power in pricing.

3.2.2 The Potential Constraints of the Municipal Ownership Regime

(a) The Duality of Local Government Finance and the Pursuit of Non-Commercial Objectives

Generally, it has been argued that the Manchester Corporation consistently adopted "progressive" policies towards the development of civil air transport for the City and its hinterland. However, it should be borne in mind that the decision-making processes involved in policy making differ from that which might have applied under alternative ownership regimes. The fact that local government as a form of enterprise differs from any other in a number of fundamental ways could have potentially constrained airport development at various stages providing a negative influence upon investment decisions arising from considerations exogenous to airport operation.

Essentially local government cannot be regarded as a corporate or unified activity. Unlike the private firm the purposes and objects of a local authority as a whole are diverse and local government cannot be identified with one concrete manageable purpose. Functionally, departments have little in common, they compete for resources especially finance but do not contribute to any single overriding objective and this competition for resources and the need to prioritise may significantly influence investment decisions. (60)

Local government finance differs significantly from the private sector in that the financing of services is divorced from the spending process. This "dualism" means that spending departments are isolated from the responsibility of raising revenue to finance activities, this being in the hands of a "treasury" department. (61) Given this duality, some system of budgeting is inevitable if only to calculate the amount of revenue required. The primary emphasis in local government finance has been on accountability, ensuring that information is available for control over those in charge of public funds. The criterion against which those held to account are judged is legality or authority for expenditure. Given the plethora of legislation which determines the powers and duties of a local authority, the budgetary process provides the only mechanism which, as well as allowing revenue requirements to be calculated, allows the authority for expenditures to be established. Essentially then local authorities balance budgets and fix a rate levy and the major constraint is that of ensuring sufficient income to cover all

expenditure in the year ahead. (62)

There is no automatic measure of success to influence investment decisions such as that provided by the balance on profit and loss accounts of commercial concerns. Even when such measure has been available, as in trading undertakings, the monopolistic nature of such enterprises or the non-commercial elements in policy formulation have detracted from their usefulness. (63) With respect to these non-commercial elements, Fowler goes so far as to suggest that the *raison d'être* of local government is not the provision of services and that policy formulation is guided more by the political rather than functional role of local government. In this sense, local councillors may see their primary role as being one of modifying and reducing central government power thereby spreading the democratic process more widely, providing greater emphasis on local interests. Fowler also alludes to the political motivation in the extension of local government into municipal trading running gas works, tramways, electricity supply, crematoria, slaughter-houses, cold storage facilities, airports, etc, in the late nineteenth and early twentieth centuries. He concludes that the origins of municipal trading lay in political theory, the primary concern being the regulation of monopoly power of private undertakings in the public utility field. The sweeping powers granted to local authorities to set up trading organisations in the nineteenth century were, however, reversed in the twentieth century with the reforms of the post-war labour government which centralised them in central government or in public corporations acting at the national level or in single purpose authorities not subject to local political control. (64) The most obvious commercial services were centralised, for example, the public utilities of electricity in April 1948 and gas in May 1949. (65) The provision of scheduled service airports which had developed from the 1930s was nationalised from 1946. (66) For Fowler by the late 1940s it had become clear that the financial and technical demands of high technology functions were not being met by the politically shaped nature of local government finances and structures which resulted in public utilities being under-capitalised and unco-ordinated. (67) Fowler also maintains that local government became increasingly characterised by the conflict between narrow operational efficiency and the political needs of an elected assembly continually seeking to

resist the concentration of power either of central government or of single purpose authorities not subject to direct elected member control. (68)

The concentration hypothesis is to some degree supported by the empirical work of Professors Peacock and Wiseman, although they tend to see its origins lying in an earlier period and highlight the significance of war as the principle agent in accustoming nations to freer government spending. Data suggests that in 1910 local expenditures were 6.1% of Gross National Product and almost 48% of all government expenditure, by 1921 local expenditure had increased to 8.2% of GNP but had reduced to 28% of all government expenditure. From this data Peacock and Wiseman conclude that in the years immediately following the cessation of hostilities, local authority expenditures shared the displacement effect of World War I but not to the same extent as central government; a concentration process had emerged in the form of a relatively more rapid growth of central responsibilities. (69) Between the wars the share of local expenditures in total government spending and as a percentage of GNP remained relatively constant. Similarly, Peacock and Wiseman maintain that the share of GNP had been little affected by the Second World War being 9.6% in 1936 and 9.5% in 1948. Nevertheless, as a proportion of total government spending, local spending declined from 38.8% to 23.4% over the same 12 year period. Therefore, for Peacock and Wiseman the displacement effect in the post war era had again favoured central government. (70)

Despite the general trend towards centralisation in the post war years, local authorities continued to play a significant role in capital accumulation. By 1965, local authorities were responsible for about one fifth of the total investment program of the country. Total expenditure on governmental service, both central and local on revenue account was £11,000 million per annum, local authorities accounting for about £2,300 million or 21%. (71)

Essentially, the characteristics of local government outlined above have manifested themselves at various stages of airport development in Manchester. To some degree it can be argued that airport development has been influenced by non-commercial objectives and "municipal prestige" has been a determining factor. Whilst the primary consideration in constructing the Barton Aerodrome in the late 1920s may have been to satisfy the demand for air services, the establishment

of the temporary aerodrome at Wythenshawe reflected purely considerations of municipal prestige. As the Barton Aerodrome was undergoing construction, it became apparent that Hull was likely to have a suitable site at Hedon in operation before Manchester. The decision to promote civil air transport in Hull had been taken after Manchester. It was only in September 1928 that the Hull Chamber of Commerce had appointed a special committee, "to advance a proposal for the establishment of an air service for the transport of mails between England and the Continent, with Hull as a forwarding point." (72) The Manchester Corporation, therefore, improvised the temporary site at Wythenshawe in order to become the first local authority to establish a municipal aerodrome in the country; it was licensed on 22 April 1929. (73)

The debate regarding the future ownership of Manchester Airport consequent upon the re-organisation of local government under the Local Government Act 1972, also provides evidence to suggest that municipal pride was a determining factor, although this case also demonstrates the priority given by local authorities to resist the extension of central government power. In effect, local government re-organisation in 1974 resulted in the first major change in ownership structures in the history of Manchester's airports. At the time, powers to own and operate airports were exercisable by county borough councils and concurrently by county and county district councils. Of 30 local authority airports in the country, 20 were operated by single local authorities, as in the case of Manchester and 10 were operated by consortia of local authorities. The Local Government Act 1972 created a new county council for Manchester stretching from Rochdale in the north to Wilmslow in the south and from Wigan in the west to Oldham in the east. The counties of Lancashire and Cheshire were to lose all powers and control in the new administrative area and County Boroughs like Manchester were to cease to exist. The new County created was to comprise ten districts, as shown in Figure 3.1a, with the new authority representatives being elected in April and May 1973. The new Greater Manchester County Council was to have 107 councillors with the Manchester District electing 20 representatives. The new Manchester District was to cover the old Manchester County Borough and to incorporate the parish of Ringway in the rural district of Bucklow, as shown in Figure 3.1(b) and (c). The new district comprised a

population of 590,000 and continued to elect 99 councillors. (74)

Although the general rules for the transfer of property under Local Government re-organisation suggested that the ownership of Manchester Airport would remain with the Manchester District, in effect, the Secretary of State had powers under the Local Government Act 1972, to transfer airports to such local authorities as he considered appropriate. So although under the provisions of the Local Authorities (England) (Property etc) Order 1973, Manchester Airport should have been vested in the new District Council, the Secretary of State took reserve powers to make supplementary orders to amend this general principle. (75) Three possible courses of action could be taken, firstly the airport could remain with the District; secondly the airport could be vested in the Greater Manchester County Council by supplemental order; or thirdly, the Secretary of State could exercise an option to acquire the airport. Basically, it was held that re-organisation offered the opportunity for the local re-appraisal of responsibility for each local authority airport to ensure that the full potential benefit would be obtained from the new structure of local government. In essence, a number of considerations underpinned the case for the wider involvement of the county authorities in responsibility for the larger airports, either alone or as members of consortia. For example, responsibility for such airports could be more closely related to the areas served and for which they might create environmental problems. In addition, it was possible that the often considerable burden of running local authority airports could be spread over a wider area. (76)

This view had in fact been supported in the past by Jack Jackman, the Airport Director at Manchester Airport. When the Royal Commission on Local Government (the Maud Committee) envisaged the possible creation of a Manchester, Salford and District Council, which would embrace the whole of the airport area, the Airport Director had registered his support for any move which would place the airport geographically within one local authority rather than the administration of the airport estate being fragmented - as a consequence of the site extending across local authority boundaries-between the Manchester City, Wilmslow UDC, Bucklow RDC and the County of Cheshire. The Maud Report also envisaged the new District Council existing alongside another eight councils which would collectively fall

within the South East Lancashire and North East Cheshire metropolitan area as far as responsibilities for transportation were concerned. The Airport Director had argued that such an extended area embracing a population of some 3.2 million would be more representative of airport users which originated from a catchment area extending beyond the bounds of the City. (77) It was postulated that although the airport undertaking had in the past been a viable proposition for the City of Manchester, this might not necessarily be the case in the future as the cost of capital schemes for the provision of major terminal and operational facilities could outstrip revenue. In this sense, therefore, the Airport Director supported the notion of spreading the costs of development very thinly over a large rate paying population. (78)

Similarly, with the prospect of local government re-organisation in the early 1970s, the Airport Director at Manchester supported the transfer of responsibilities to the new Greater Manchester County. However, this was not a view held by the elected representatives of the Manchester District authority and a fundamental difference of opinion emerged between the existing airport owners and the newly created GMC which was only resolved by compromise necessitated by the prospect of central government intervention. The newly created Greater Manchester authority had indicated an early intention to take on a significant and active role in the promotion of industry, commerce and employment in the whole of the Greater Manchester area which was regarded as the focal point of the North of England, with increasingly important links with Europe and other foreign markets. The traffic, wealth and employment generated by Manchester Airport was seen to be essential to the prosperity of the North, therefore, the Greater Manchester County Council maintained that in order to fulfill its designated role in the development of the area's economy, ownership and control of the airport was essential. It was argued that the new authority would be more appropriate to administer the airport as it would develop a greater awareness of development needs across a wider spectrum and be more favourably situated to determine the potential for future growth. (79)

Other fundamental arguments supported the case for the transfer of ownership rights. Firstly, the growth of the airport had brought in its train problems of noise and disturbance outside the City, and it was argued that it was more equitable and just that the County

Authority which enjoyed the benefit of having the airport within its area should also be the authority upon which the obligation to meet the costs of remedial works and any compensation necessitated by the existence of the airport should fall. Secondly, it was argued that airports are erratic in their needs for capital finance and are large commercial risks and the importance of the airport to the North West meant that its future development should not be prejudiced by the possible non-availability of capital and revenue finances at the right time and in the right amount. Thirdly, the newly created County Council was the traffic and transportation authority for Greater Manchester and Manchester Airport formed a highly significant link in the traffic and transportation system. The provision of suitable and convenient road and public transport access to the airport was regarded as a continuation of the same transportation network which air passengers and persons who wished to transport their goods by air were using when they used air transport. On this basis, it was argued that the County, assuming responsibility for the totality of transport, should logically assume responsibility for the airport. (80)

The Manchester District Labour Party also favoured control by the new County Council but the majority of elected representatives on the District Council, partly influenced by the Airport Committee, were determined that control of the airport should continue in District hands. At one particular meeting of the District Party in November 1973, the Wythenshawe Constituency proposed that the County Council suggestion for control of the Airport be deplored, however, this motion was defeated. In essence though, such policy decisions made by the Party were not binding on the District Group. (81) Arguably, the Chairman of the Airport Committee held more sway with the District Council, maintaining that the development of Manchester Airport had been one of the most striking examples of local government enthusiasm, initiative and enterprise and that the development to international status since the Second World War had been the result of the determination of the City and the support given by its ratepayers. Like the County, the District Council was anxious to maintain Manchester Airport's international status and improve facilities and the Airport Committee were of the view that the progressive policies of the Committee and the City Council regarding development would be continued by the new District Airport Committee and District Council.

(82) In essence, it may also be assumed that the City Council derived considerable prestige from ownership of an airport which over a 15 year period had contributed £1,789,404 to the City's Rate Fund despite the need for heavy capital expenditure. (83)

At an Airport Committee meeting on 13 September 1973, a resolution was passed unanimously,

"That the Department of the Environment be informed that the Manchester District Council hold the strong view that the ownership and responsibility for the control, management, operation and development of the existing Manchester Airport should vest in the Manchester District Council." (84)

The views of the new District Authority and the new County regarding the future ownership of Manchester Airport were diametrically opposed, the District Council maintaining that the City had developed and promoted the airport well enough in the past and since Manchester ratepayers had financed this development, the airport should remain with them for their benefit; whilst the GMC held that since the airport served the region, the benefits it brought to the community and the environmental disadvantages for those living nearby should be shared by people residing in the new larger metropolitan area.

Though it appeared that the two local authorities were entrenched in opposing camps, they were in agreement on one fundamental principle, that is, that the airport should remain under local government control and that any proposal that the British Airports Authority at some future date, should resume responsibility should be resisted. In this regard, it was essential that the matter be settled amicably, avoiding any risk of central government involvement in decision making. (85)

Thus a compromise of joint ownership was reached with the Manchester District and the Greater Manchester County Councils appointing a committee known initially as the Manchester Airport Joint Committee, and later the Manchester International Airport Authority, to discharge all functions relating to Manchester Airport. The Joint Committee was to have equal representation with ten members appointed by the Manchester District and ten by the County. The Chairmanship and Vice Chairmanship of the Committee was to be held by a County representative and by a City representative for alternate periods on the understanding that the two positions would not vest in representatives of the same authority at any one time. (86)

A provision was made in the proposals for the transfer from the

airport's accounts to the Manchester City Rate Fund of £300,000, £200,000 and £100,000 during the three financial years 1974/5 to 1976/7 dependent upon profitability of the airport. However, shortly after these arrangements for transitional payments were agreed, the national economic situation deteriorated seriously as a result of the energy crisis which was expected to have a direct effect upon the airport's operation and consequent profitability in the immediate future. Thus, the question arose as to how the three proposed payments in aid of the rate could be guaranteed. Both the County and City Treasurers examined the position and it emerged that although the three payments could be guaranteed the methods of securing it would probably not be in the best interests of the airport and its development, so a "once and for all" payment of £400,000 in aid of the Rate was agreed to be paid in 1974/5. (87)

The County and City Councils conferred various functions and powers upon the Committee including the management, control, operation and administration of the airport and all activities there. The Committee was to exercise and discharge all duties and powers of the City and County under the Civil Aviation Acts of 1949 to 1971 with the exception that it had no power to levy or issue a precept for a rate or to borrow money. So, in effect, the Authority could enter into agreements or contracts regarding any activity at the airport including the fixing of fees, charges, concessions' rents; expend monies in maintenance and development of the airport in accordance with estimates approved by the Authority and approve bye-laws relating to the airport. As far as airport assets are concerned these were to be held by the City for the joint use and benefit of the City and County Councils. Staff formerly employed in the Corporation's Airport Department were to be under the exclusive control of the Committee which determined their numbers, wages and conditions of service and exercised rights of appointment and dismissal. (88)

As regards the financial arrangements applying to the airport's operation in the immediate future, the accounts which had been maintained by the Corporation, including the Airport Revenue Account, the Airport Vehicles and Plant Renewals Fund and the Airport General Reserve were to be maintained by the County Treasurer, balances being transferred to and maintained by the County for, on behalf of and under the direction of the Committee. For the financial year 1974/5 and

during a "prescribed period" determined by the Authority any net profit after the allocation of monies to Renewals Funds and after the deduction of debt charges was to be paid into the airport's General Reserve. In essence, net profit was to continue to be transferred to the Reserve until such time as the sum held equalled one tenth of the total value of fixed assets, thereafter net profit could be distributed equally between the two parent authorities. In practice, however, because of the precepting arrangements the Manchester District received more than a 50% share, that is 50% accrued to the District as joint owner of the airport but as a constituent authority of the GMC a further percentage flowed to the authority. (89) Any deficit in the Revenue Account after allocations to renewals and deduction of debt charges was to be made good by the transfer of funds from the General Reserve. If the Reserve had insufficient funds to cover any deficit it was to be made good by equal contributions from the County and the City. If the Committee resolved to incur capital expenditure to carry out its functions and to meet expenditure by borrowing the County Council was to borrow funds and advance them to the Committee. All repayment of debts outstanding at 31 March 1974, were to be debited to the airport's Revenue Account with interest being charged at the rate applying to the Consolidated Loans Fund of the City Council. Sums advanced by the County were to be repaid over a period determined by the Committee by charging the Airport Revenue Account. Essentially, the possibility of capital being financed out of the City's Consolidated Loans Fund had been rejected on the basis that a disguised subsidy from the City to joint ownership could arise as a result of the application of the relatively favourable average rate of interest charged on loans from the Fund. New debt to be raised by the County Treasurer was however, to be related to Public Works Loan Board rates of interest. (90)

Local Government re-organisation had far reaching implications for the future ownership and development of Manchester Airport. Given the establishment of a large metropolital county area with wide geographical responsibilities and overall responsibility for transportation throughout Greater Manchester, it may be argued that ownership should have vested exclusively in the new authority which could spread the burden of airport development across a wider field more representative of the airport's catchment area. However, the

validity of this conclusion is questioned when it is considered that in 1970 some 59% of international passengers were generated from outside the area comprising the new County. Taken to its logical conclusion the concept that ownership should reflect the area served would suggest that the ownership of Manchester Airport should have been transferred to some regional body at a much earlier stage. However, the development of Manchester Airport to international status and the extension of its catchment area had taken place under City ownership and it is argued that the transfer of ownership would have penalised the authority for its past enterprise. Certainly there is no rationale in private enterprise to suggest that ownership structures should reflect the market base and with respect to airport operation which differs from other local government services, in that the opportunity to make profit exists, depending upon the goals specified there again seems to be no case for assuming that the authority discharging responsibility should reflect the area served.

Whilst airports are erratic in their needs for capital finances and represent large commercial risks, evidence presented in preceding sections supports the contention that the City Council had already proven itself willing to accept the risks of investment in airport infrastructure. In the face of the prospect of transfer of ownership, the City could claim, on the basis of its past record, to be willing to adopt "progressive" policies. The acceptance of the sum of £400,000 into the City Rate Fund, which appears to be minimal given the airport's long term prospect of profitability, may in itself, be viewed as a manifestation of the City's continued willingness to promote the development of Manchester Airport to the exclusion of other objectives. Having been involved in civil air transport for some 50 years, the City could legitimately claim that maintenance of the status quo would further promote development drawing on a wealth of expertise, experience and knowledge particularly regarding the formulation of policy. At the end of the day the ultimate compromise of joint ownership had little to do with operational efficiency but was prompted by the overwhelming desire to ensure that Manchester Airport remained in Local Government control, which is to a great degree reflective of the character of Local Government across the board which embodies the rejection of centralisation in favour of local democracy.

As previously suggested, airport development in Manchester could

have been constrained by other factors which underpin the nature of local government enterprise. Whilst on the one hand the extension of local democracy may support the expansion of the local government service, the duality of local government finance and the demands placed upon financial resources by competing claims can engender a conflict of interest and disagreement between elected members over those services which are deemed appropriate for local provision and those which should be supported by central government. In the formulation of Manchester's airport development policy again such considerations were manifest in the early years of development when the Airport displayed the most fundamental characteristics of the small airport, that is, the absence of surpluses highlighted in the previous chapter.

The Ringway scheme, considered by the City Council on 25 July 1934, aroused much opposition and was only approved by 55 votes to 54 in Council. Whilst Alderman Sutton moved the motion recommending the acquisition of 664 acres of land at Ringway for Manchester's second permanent municipal airport, Councillor J Toole opposed the scheme on the principle that it should not be supported by the local rates. It was argued that central government should provide aerodromes for the national defence. Misgivings were also expressed regarding the scope for the development of civil aviation in a country the size of Britain, and the economic consequences of devoting large expenditures to an industry which was undergoing such rapid change. Social considerations were also given an airing when it was suggested that "only the rich could afford to fly". (91) In February of the following year, further moves were made to quash the airport scheme during a discussion on the City's rates. Councillor J Watts proposed the deletion of an estimate of £75,000 for work at the airport on the basis that expenditure was "unjustified" under existing economic conditions and Watts appealed to the Council to consider the requirements of their public health services and to provide better accommodation for those applying for public assistance. Councillor Watts' amendment to delete the item of £75,000 was defeated by 60 votes to 45 and his subsequent motion that the City should not proceed with the scheme was rejected by 57 to 35 votes. (92) Councillor Watts nevertheless continued his dogged opposition to Ringway Airport and two years later propounded an "ingenious scheme" to his colleagues for the help and furtherance of British aviation. His resolution suggested that because the Council

thought anti-aircraft defences should be a national charge and because the Maybury Committee recommended the national co-ordination of civil aviation, the Airport Committee should be instructed to offer the whole of their property for sale to the government for use as anti-aircraft and/or civil aviation stations and/or aircraft manufacture. The Council at large, however, considered that Mr Watts "had missed the point" which was that Ringway had been purchased to link the City with the commercial air services of the world and ought soon to have an important bearing on the prosperity of Manchester. Alderman Titt suggested that based on the argument presented, "the Government might as well take over the gasworks" because it would be useful to them in the event of war. (93)

As far as the Finance Committee of the Council is concerned, the evidence suggests that initially the Committee was willing to support the City's investment in airport facilities in the absence of any possibility of central government assuming responsibility for provision. In consideration of the proposal to establish the Barton Airport in 1929, the Finance Committee generally accepted the benefits which could accrue from Manchester's involvement in aviation,

"The proposals now under consideration show a financial burden on the City which under ordinary conditions the Finance Committee would wish to avoid, but having regard to all the circumstances, including a prospective benefit to Manchester trade generally, the Finance Committee approve the proposals of the Airport Special Committee as to the application for borrowing powers for £30,000." (94)

The observations of the Finance Committee in respect of the Ringway scheme considered some five years later suggested much the same attitude, again despite the creation of a financial burden on the City, the Committee were:-

"of the opinion that looking to the future economic development of the City satisfactory airport facilities are essential, they approve the proposals of the Airport Special Committee as to an application for borrowing powers for £179,295." (95)

Despite this initial support, it is clear that in general, the Finance Committee supported state rather than municipal ownership of aerodromes which could be a potential rate burden. This contention is adequately supported by the Finance Committee's reaction to the possibility of state take-over in the 1950s which will be considered in greater depth in Chapter Five which deals in part with central government policy regarding the planning and ownership of UK Airports.

By March 1953, Ringway had cost the Corporation £493,250 on capital account; the total rate-borne expenditure between 1935 and 1953 being £202,000. (96) In effect, the net deficit on Revenue Account also represented an additional subsidy from the local authority's rate. With regard to the possible nationalisation of the Ringway Airport, the position taken up by the Finance Committee, the "treasury department" responsible for safeguarding the interests of the Corporation as a whole and that of the Airport Committee, the "spending department" more concerned with airport development, adequately manifests the "duality" of local government finance. In essence, the Airport Committee remained convinced that if the City retained control of the airport and developed it, in the long run surpluses would accrue. For the Finance Committee the assessment of alternatives hinged upon consideration of the short term financial position with respect to the airport which, as suggested in Chapter One, is inappropriate given the long gestation period involved.

As the immediate custodians of the airport, the Airport Committee of the Corporation was likely to be in support of any reasonable scheme for continued municipal ownership and in preparing its report for consideration of the City Council, was quick to highlight the advantages to be gained from this. Firstly, it was maintained that the position which Manchester held in the world of civil aviation was unquestionably the result of the insistence of the City Council that Manchester should not fall behind in a changing world. At every stage, the Airport Committee had pressed the claims of the Greater Manchester area for the best that civil aviation could provide and had enlisted the co-operation of the Manchester Chamber of Commerce in its efforts. The detailed knowledge of the requirements of the area, local drive, enterprise and initiative would all be required in the future, if Ringway was to develop. It was argued that if on the other hand Ringway were taken over by the State it would be only one of a number as far as the Ministry were concerned and in terms of its development would have to take its place with others in a programme laid down from London, by an authority lacking the special knowledge which the City had regarding the trade and other requirements of the area. (97) Certainly, in presenting these arguments the Airport Committee could point towards the relatively recent experience of attempts to obtain Ministry approval of capital projects proposed for Ringway, when

projects had been retarded as a result of limitations on Central government capital allocations. (98) In this sense, it was likely that in the future the Ministry would continue to regard London as most important with Prestwick assuming a secondary position and given these priorities, was not likely to be very anxious to promote international status at Ringway. (99) Similarly, it was argued that because there had been a strong Airport Committee and because Corporation officials had looked after the interests of the City, Ringway had not been requisitioned during the war and as a result was in a position to grasp the opportunity to arrange for the quick relocation of the Parachute Training School after the cessation of hostilities and embark upon the development of civil air services to the exclusion of its main competitor, Speke. (100)

Whilst the Airport Committee considered exclusively the future of Ringway, the Finance Committee as the "treasury" committee of the City had to consider wider implications. If the Corporation were to retain Ringway under the terms agreed, which are detailed in Chapter Five, they would have to pay to the Ministry of Civil Aviation 25% of the capital cost of works already carried out, that is £99,750. In addition, the Council were to be asked by the Airport Committee to pay 25% of a substantial amount of capital expenditure in expectation that at some future time, the airport would operate at a profit. From the Finance Committee's viewpoint, the City was going to have to incur heavy capital expenditure in the coming years on a number of capital projects and the level of debt charges on the borrowing of large capital sums was increasingly becoming a cause for concern. (101) In competing for the City's financial resources, the Airport Committee may have been viewed as just another "spending committee" whose perceived needs were placing an ever increasing burden of debt on the City. However, it is argued that capital expenditure by the Airport Committee was at the time in an entirely different class to the capital expenditure of say the Health, Cleansing or Welfare Services Committees as the Airport Committee was the only one which could offer the prospect of bringing increased revenue to the City Council.

Nevertheless, for the Finance Committee, transfer to the state offered a number of fundamental advantages, Firstly, the City would receive £420,000 representing the greater part of Manchester's capital expenditure on Ringway (on which a debt of approximately £278,000 was

still outstanding). The Corporation would similarly be relieved of the responsibility for further capital development and of further rate burdens against which would have to be set the relinquishing of any entitlement to future profits. On the other hand, if the City decided to retain the Airport, it would have to find 25% of £1,529,000 of the estimated capital expenditure approved by the Ministry, including, inter-alia, a sum of £300,000 - £400,000 for the extension of the runway and a number of new hangars which might cost £100,000 - £200,000 each. In addition, the City would have to fund any further capital expenditure not falling within these two classes and cover any operational losses. (102)

The major concern was that income should increase at a rate sufficient to overtake expenditure. It was asserted that although traffic at Ringway had increased in recent years, expenditure had increased at a faster rate with the result that the loss falling to be borne by the ratepayers of Manchester was increasing notwithstanding increased traffic. (103)

In assessing the potential for future profitability, the Finance Committee drew upon an analysis of the characteristics of the traffic passing through Ringway at the time. In assessing the monthly totals of passengers in 1951 and 1952, the Committee highlighted the impact of the peak load in August, when one fifth of the total annual throughput was recorded as opposed to only one tenth in the months of January to March inclusive. It was concluded that if facilities were provided to cope with the August peak then inevitably the airport would be under-utilised throughout the rest of the year. (104)

The very existence of the peak also suggested what was to the committee an unhealthy dependence upon holiday traffic:- in 1952 62% of the total passenger traffic had been concentrated in the months of June to September inclusive. On the assumption that the traffic processed in the months of November to April was generated by the "normal" business user then over 50% of all passengers using the airport were holiday travellers. (105) An analysis of the distribution of passenger traffic as between scheduled and other air services and a separate analysis of foreign scheduled services divided between various destinations and points of departure similarly suggests a number of interesting conclusions. Firstly, the negligible value of inland traffic other than on the Manchester to London service (re-introduced

in 1952) was highlighted, along with the preponderance of traffic on the Ireland and Isle of Man routes. In 1952, these two services alone had accounted for nearly 60% of the total passenger throughput. As for continental traffic although passenger traffic had increased by 33% in 1952, only 1% of this increase had been attributable to passengers using continental services and a larger proportion of passengers on these routes had been concentrated on the Paris and Amsterdam services. Apart from the re-introduction of the Manchester - London services, the increases in passenger traffic experienced in 1952 had in the main been the result of increases on services operating to Ireland, the Isle of Man and the Channel Islands. (106) In analysing the distribution of freight for 1951 and 1952 it was concluded that a very high proportion - approximately 70% of the total in both years - was carried on the service to and from Ireland, whilst inland traffic was concentrated on the London route and continental traffic on the Amsterdam route. Similarly, for mail a very high proportion of the total was carried on the air services operating between Ireland and Manchester. (107)

The Finance Committee's analysis of traffic throughput at Ringway over a two year period led to a number of seemingly incontrovertible conclusions. The concentration of the peak load in the summer months - due to the dependence on holiday traffic - necessitated the provision of facilities which would only be fully employed for a short period of the year. Heavy capital and revenue provision would have to be made to cope with the four month peak and this traffic would have to bear the cost of maintaining most of the facility during the remaining slack period. The rapid growth of traffic on services to Ireland and the Isle of Man had been the principal source of development as geographically Ringway was well placed to act as a collecting and distribution point for these services. Excluding the service between Manchester and London, inland traffic was relatively unimportant and the only development of Ringway for inland traffic had been as a branch terminus on one of the services radiating from London, rather than as a central distribution point. As far as freight was concerned there appeared to be little demand for freight facilities other than for newspapers and mail. Finally continental traffic had developed more slowly than the average and had declined in relative importance. Facilities had been made available for a range of continental traffic which did not seem to have availed itself to any appreciably increasing

extent of the facilities. (108)

Whilst the Finance Committee appreciated that aviation was in its infancy which could augur substantial development, it felt that the risks and potential liabilities in retaining Ringway were unacceptable as substantial abortive expenditure could have been involved if new aeronautical discoveries changed the direction of development. Consistent with past recommendations, it was held that Manchester as a centre of vast population had great potential for personal and commercial air traffic. It was accepted that even if the airport remained permanently a charge on the rate imponderable benefits could accrue to the commercial life of the City, which depended on connections with distant parts of the world. However, in comparison with the most significant contribution of the City to transport in the past, that is the construction of the Manchester Ship Canal, the Committee concluded that any indirect benefits would not be likely to be anything approaching those following the funding of this major project. (109) The difference between the two projects was regarded as of paramount importance. Without the Corporation's support the Canal would not have been built, whereas the importance of assuring airport development around Manchester was not in question. The Finance Committee was not convinced of the significant impetus which municipal ownership would give to airport development. It was argued that the Ministry had a much greater body of technical aeronautical knowledge at their disposal and that their management of Ringway would have advantages to be derived from a policy more closely co-ordinated with the Ministry's two other major airports. (110) For the Finance Committee then, the issue was whether the airport should be developed at considerable initial expense and at the risk of continuous financial loss to the City ratepayers under strict ministerial control or the airport should be developed on similar lines at the cost and risk of the Ministry of Civil Aviation.

In summary, the contention that the development of a trans-oceanic and inter-continental airport in Manchester could bring some indirect benefits to the commercial and industrial life of the City and region was not really in question, but the contention that municipal ownership would bring an added impetus to development, sufficient to justify additions to the capital financing programme and the rate burden which would be likely to follow development for many years, was, it was

argued that the possibility of future profits and the prestige of local ownership was insufficient to outweigh the added rate burden because it was felt that projected development would take place whether or not the Council retained ownership. Because this development was seen to involve very heavy capital commitments in the future, the Finance Committee did not consider that the City Council would be justified in accepting the risks and liabilities involved and, therefore, recommended that the City Council disapprove the recommendations of the Airport Committee and instruct it to make arrangements for the transfer of the airport to the Ministry of Civil Aviation. (111)

At a meeting on 31 March 1953, the City Council had two options before it in respect of Ringway, the first being to accept the terms offered by the Ministry of Civil Aviation for retention by the Corporation of Ringway Airport and to make application to the Minister of housing and Local Government for sanction to borrow the sum of £100,000 being 25% of the expenditure incurred by the Ministry of Civil Aviation at Ringway during the course of negotiations; and the second being to disapprove the recommendations of the Airport Committee and to instruct it to make arrangements for the transfer of the Airport to the Ministry. Clearly the decision was not one to be taken lightly as the Council adjourned on that date with no vote having being registered. (112) The question was considered again on 29 April 1953, and it is clear that a lively and sometimes emotive debate ensued. Alderman SP Dawson's (Conservative) contribution to the debate was recorded in the Manchester Evening News as follows,

"If you hand over control you are admitting to the world at large that Manchester feels it is not capable of doing the job it took on in 1934. . . The success of Ringway may be so glorious that in a few years you will get a profit as you are now beginning to get from the Ship Canal." (113)

Councillor R E Thomas, Secretary of the Labour Group, opposed the Airport Committee's recommendations largely on the grounds that the problem of air transport was not a local, but national one and questioned whether it would be "a good thing" for Whitehall to control other large airports in the country with Manchester as an exception,

"Because the Minister is to put forward 75% of the money needed for initial development there is bound to be discord. Surely those who put forward so much money will want to have the controlling voice." (114)

Councillor E Mendell (Labour) said that since 1945 there had been a

substantial increase in income from Ringway but a greater increase in expenditure,

"There is no indication that this trend is not going to continue. Almost every month there is a supplementary estimate for more money. . . Are we justified in incurring extremely high capital expenditure when all we are to get is the doubtful honour of owning an airport?" (115)

It appears that the arguments in council hinged upon whether the Airport Committee or the Finance Committee were deemed to be more accurate in the picture of Ringway's future which was put before the Council. However, some years later, the Town Clerk was to remark that when the City were considering whether or not to accept the Ministry's offer, it had not been expected that the airport would break even for some 15 to 20 years, even allowing for only 25% of the cost of capital works falling to the City, thus the Council was clearly willing to subsidise airport operation. (116) If the City Council was sufficiently convinced that the airport offered potential in the long term, the question then arose as to which institution could best maximise this - the Manchester Corporation or the Ministry of Civil Aviation. Certainly the Association of Municipal Corporations had long held the view that whilst there was no clear advantage in public ownership by the State as against local authorities, the most significant issue relating to the Government's plan for State acquisition had been the fact that local authorities would not only be deprived of ownership, but of management responsibilities as well. The distinction was regarded as an important one in that the management of an airfield was regarded as a function best undertaken by the local authority which would stimulate local interest in the development of civil air services and ensure that management proceeded on democratic, efficient and progressive lines. (117) Similarly, the AOA in 1952 had referred to the reluctance of central government to unravel the complications of requisitioning aerodromes in war time and the avoidance of the problem by the policy of nationalisation and continued requisition which had resulted in those aerodromes administered by the Ministry becoming impersonal "white elephants" administered by "swollen staffs" engendering little local interest in civil aviation. (118)

For the Manchester Corporation, continued management was synonymous with continued ownership and to continue the management function implied acceptance of the Ministry's terms. However, the City would

probably not have considered retention of the airport without grant as it would have been difficult to justify the provision of a service which could be regarded as essentially national in character and certainly predominantly regional and charge more than 2d or 3d on the rates. Basically, no municipality could afford to bear the whole burden of expenditure involved in airport development, but a good case could be made for keeping the Airport with the aid of capital grant, as it would be valuable to have the second airport in the country available for inter-continental services. (119) Clearly, in achieving such a status, the City Council was convinced that its Airport Committee was in the commanding position.

On the question of the future ownership of Ringway, the Airport Committee won the day with a majority of 86 to 32 on a free vote at the end of a 90 minute debate. (120) To retain ownership, the City had been prepared to meet a loss of up to the product of a 2d rate, the equivalent of approximately £52,000. However, the optimism of the Airport Committee was justified when in the financial year 1957/8 income exceed expenditure on the airport accounts and over £12,000 was paid towards the rate. (121)

Clearly in respect of the nationalisation question, the Finance Committee had been concerned about the financial risk involved in further investment on the part of the City, in an industry which was characterised by uncertainty as a result of rapid technological development. Another fundamental consideration had been the need to curtail non-essential capital investment across the board. Evidence suggests that although the question of the future ownership of Ringway had effectively been settled in 1953, the Finance Committee continued to press the need to justify expenditure, especially in the light of the increasing costs of the proposed development.

By October 1955, estimates of the costs of the proposed new terminal building and the main runway extension at Manchester Airport had increased by 162% as compared with the original estimates submitted to the Council in 1953. (122) Whilst appreciating that the original estimates had been compiled by the Ministry of Civil Aviation, the Finance Committee nevertheless held that the wide disparities were unacceptable, suggesting that the City Council had come to an important decision based on financial estimates which were substantially understated. The Committee registered the fact that it was ". . . most

disturbed . . ." that the inadequacy of estimates had not been challenged at the time by the Airport Committee. (123)

Concern was expressed at the financial repercussions of revised capital estimates on the prospective rate burden and it was thus suggested that they required fundamental examination. Despite past assurances from the Airport Committee that additional revenue expenditure, that is, debt charges on capital expenditure and maintenance costs to deal with developing services, would be covered by developing traffic and other income, the Finance Committee still held to the view that all the evidence pointed towards expenditure increasing at a more or less corresponding rate. (124) During the period of rapid development, increases in traffic had produced an income in 1954 more than two and a half times that received in 1950, nevertheless the charge on the rate had increased because the increase in income had been more than offset by greater expenditure. Although the rate charge had fallen in 1954/5, it was argued that this had been the result of increases in traffic taking place temporarily in advance of increases in capital expenditure as capital schemes had still been under discussion. Amongst other things the Airport Committee was pressed to consider the three fold increase in the estimated cost of the proposed terminal building and apron and to determine whether or not part of the increase in costs might have originated from too elaborate a standard of architecture and/or unnecessary scale of provision. In respect of the doubling of estimated costs of the extension of the main runway to 7,000 feet, the major concern remained that a large amount of expenditure sunk into the acquisition of land and construction of the extension could prove abortive if the development of aircraft design achieved substantial reductions in the length of take-off required. The possibility of development schemes proceeding at a slower rate was also raised in order to ensure that trends in traffic and the nature of requirements could be better established before embarking upon substantial expenditure. In general terms, the Finance Committee also pressed the Airport Committee to indicate whether or not at some time in the future, income could be expected to increase without a corresponding increase in running expenditure. (125)

In defence of its proposals, the Airport Committee argued that like the Finance Committee, it had in 1953 had no reason to suspect that the

figures supplied by the appropriate Ministry responsible for civil aviation matters would prove to be so unrealistic. The only way of testing the validity of estimates had been to subsequently carry out extensive research and investigation which had revealed amongst other things that the terminal building could only be erected on one particular site, involving considerable demolition of existing buildings. (126) The scheme devised for the terminal building was not regarded as being in any way extravagant and a major consideration, according to the Airport Committee, had been the need to avoid the possibility of not providing sufficient accommodation of a satisfactory standard and thereby having to incur extra expenses which could be avoided by making existing proposals adequate as far as could be envisaged for a reasonable future period. (127) Regarding the scale of provision, it was maintained that this had been determined largely by consultation with airline operators in an effort to make provision to meet their requirements in such a manner as to ensure that buildings would be operationally efficient. (128) The Airport Committee held that much of the increase in expected costs of the runway extension had emanated from the difficulty of forecasting requirements in 1953, in particular the lack of information regarding the need to provide consolidated stopways at each end of the extension - a requirement which had only come to light in subsequent discussions with the Ministry and BOAC. (129) In support of funding the increased costs, it was argued that, if the airport was to attract long distance services, it was essential that the runway should comply with the standards agreed internationally as necessary to meet the largest types of aircraft likely to use the airport. (130) Finally, the Airport Committee confirmed its intention that the airport should become a profitable concern and it was maintained that the prospect of this would be much improved if the Committee were allowed to erect the terminal building proposed by the City Architect rather than an inferior building. (131)

Although at this point in time the Airport Committee was successful in convincing the Finance Committee of the validity of its case in the face of further escalations in costs, the Finance Committee in 1957, advised the City Council that - because there had been so many material changes in proposals and costs - councillors should have before them a more comprehensive picture of what was involved in the attempt to

establish Manchester Airport as the second largest airport in the country. (132) Thus the Airport Committee was instructed to compile a review of the economics of the administration of the airport generally, covering the probable ultimate capital costs and consequent maintenance costs and income. (133) In attempting to fulfil this requirement the Airport Committee was faced with a number of difficulties arising out of the nature of the airport investment.

Firstly, it was difficult - if not impossible, to forecast expenditure that would be incurred upon the operation of the airport at any period more than say five or six years ahead, or the income which could be expected. Uncertainty arose from the fact that the type and size of aircraft in use for civil aviation purposes were constantly changing and the types likely to be in use in five or six years time were only at the "drawing board" stage of development. Before these aircraft would come into service, they would have been subjected to considerable modification and, therefore, it would be several years before their weight and performance requirements could be forecast with any accuracy. Secondly, even if aircraft types and their performance requirements had been known, it was nevertheless difficult to forecast the particular scheduled services upon which they would operate or their frequency. Thus the Airport Committee could only refer to past experience and anticipate future trends as to the possible volume and type of traffic which could reasonably be expected to operate from Manchester under given circumstances by 1963. (134)

An attempt was made to assess the financial position of the airport at three different times and under different sets of circumstances. Firstly, the position in 1960 assuming that the main runway and terminal building had been completed by that time was assessed and a net deficit of £56,000 was forecast. However, it was stressed that this figure was somewhat misleading because at that time the accounts would have to bear maximum debt charges, whilst the expected income to flow from capital expenditure would not have been fully accrued. (135) On the other hand, assuming that by 1962 airport extensions were fully operative and maximum rentals were being obtained, a surplus of £13,000 was forecast on the basis that traffic would be attracted from Prestwick Airport and that a greater proportion of the northern traffic passing through London could also be captured. (136) Finally, a third estimate was compiled for 1963 in the event of it having by that time

become necessary to extend the main runway to 10,000 feet across the Bollin valley. In this case deficits of £27,000 and £52,000 were forecast depending upon the level of income to be expected. (137) The difficulty in forecasting future income lay in the extent to which long range aircraft could be expected to operate. It was assumed that trans-Atlantic traffic would transfer to Manchester, but also that larger aircraft would operate on these routes. Given the introduction of larger aircraft, the smaller deficit assumed a doubling of landing fees charged on trans-Atlantic operations and the larger deficit rather less than a doubling of traffic income, whilst it was generally assumed that the changeover would also result in fewer landings for some time. (138)

Despite the difficulties of forecasting, the Airport Committee sought to deny as far as possible the now fairly entrenched contention, that expenditure on substantial runway extensions might within a short period prove to be abortive if the development of aircraft design achieved large reductions in the length of take-off required. Evidence suggested that although research on vertical take-off and land aircraft was underway, there was little sign of the principle being developed to the extent so as to permit its application to heavy long distance aircraft. (139) On this basis, it was argued that the necessity for longer runways was not likely to be avoided for the next 20 to 25 years. The Airport Committee concluded that certainly over the next ten years - which was the period in which it was expected that Manchester Airport would consolidate its position as the second airport in the country - shorter runways would not be feasible. (140) Thus unless the natural development of the airport was to be retarded, facilities had to be consistent with the type of traffic which the Council wanted to attract and the Committee rejected any suggestion that services should be restricted to those capable of operating on a limited basis. Of great significance was the fact that the airport extension envisaged was necessary not only to attract additional services, but also to retain existing services operating under a weight penalty across the Atlantic. Airline operators could not be expected to continue to operate obsolete types of aircraft to enable them to operate through Manchester. The corollary was that if the necessary ground facilities were not provided, services would be transferred to other airports where those facilities existed, a conclusion which the

Finance Committee contested. (141) It was contended that the ability to move elsewhere was limited by the availability of larger runways elsewhere and given this condition, the owners of two or three relevant airports were in a position to co-operate with airport operators in other countries to compel airline companies to take into account the capital costs and the sterilisation of valuable land which the use of larger aeroplanes involved. (142)

In principle, the Airport Committee maintained that when the City Council had decided to retain the airport it had accepted the responsibility to meet the agreed proportion of the cost of securing the provision of air services. Although capital expenditure was considerably in excess of that originally forecast, it was stressed that in the past it had already been suggested that the Council should not be too mindful of the unavoidable charge on the rate which an airport must make in the early stages of development. (143) Once again, the Airport Committee's arguments were more convincing to the City Council and as previously suggested, those who had in the past supported the commitment of funds to airport development were vindicated, when in 1957-8 the airport accounts recorded a surplus. (144)

In summary then, it is clear that municipal ownership structures introduce a number of factors to the internal decision making processes regarding investment, which could potentially constrain airport development - including competition between services for the funds and resources of a local authority, the division of responsibility between the policy making spending committees; and the "treasury" committee whose overall objective is to ensure that budgets are balanced and sufficient income is generated to cover all expenditure in the year ahead, and finally the intrusion of political objectives which may have little to do with the operation of a fundamentally commercial concern such as an airport.

The potential constraints of municipal ownership have manifested themselves in the early opposition of elected members to investment in airport facilities at Ringway and the subsequent misgivings of the Finance Committee regarding the justification for further rate burden in an essentially risky business. Similarly, with local government re-organisation, the desire to retain the airport in local government hands took precedence over considerations of operational efficiency. It is

argued that despite such potential constraints, municipal prestige proved to be a determining and stimulating factor in airport development. This in itself encouraged the City Council to adopt the long term view of investment supporting the Airport Committee's arguments for capital commitment. Although the question of future ownership in the 1970s was settled primarily by compromise, it is argued that given the GMC's determination to be involved in decision making processes, such a compromise was the most efficient solution as it ensured that the drive, initiative and enthusiasm shown by the City Council in the past would continue to influence development in the future.

(b) Responses to Central Government Control and Direction of Local Government Finance

The intervention of Central Government in the direction and control of the financing of local authority services is a fundamental characteristic, again distinguishing local government from the private firm. Since the mid 1960s, local authorities have increasingly been regarded as tools in economic regulation and monetary management of the economy and the pace of local authority investment has, therefore, been influenced by the "stop-go" policies of central government. (145) With the balance of payments and debt crises of the 1960s, emphasis was placed on the reduction of taxation and the role of the State in the economy. However, in the face of rising unemployment efforts were made to stimulate demand in the early '70s. Thus public expenditure accelerated during the "Barber Boom", growth being reinforced between 1973 and 1975, but over the next two years, cuts in spending were instituted in the face of the exchange and debt crisis of 1976 and as part of the negotiations with the IMF. (146)

Although local authorities were subjected to these "stop-go" policies economic monetary management had to be reconciled with the perception of high spending need and the Labour Government of 1974-79 was broadly prepared to support the high spending of Labour local authorities with grant because of this shared perception. To a significant degree local authorities continued to be regarded as agents of income redistribution. In 1975, local government spending accounted for more than 18% of GNP even though in the previous year responsibility for water sewerage and local health services had been relinquished. (147)

The overall economic strategy of the Government elected in 1979 has comprised a number of key elements including a reduction in the Public Sector Borrowing Requirement to relieve domestic pressure on interest rates, to lower tax rates, to reduce the State ownership of assets and to secure tight constraints on the real level of total public spending. The 1980 Public Expenditure White Paper underlined this final objective, "The Government intend to reduce public expenditure progressively in volume terms over the next four years." (148) The reduction in local government spending achieved in the late 1970s was concentrated almost entirely in capital expenditure. (149)

Whilst central objectives have determined the general trends in local government expenditure it is important to note that the effectiveness of control depends essentially on the method of control adopted. Firstly, the direction and amount of capital expenditure undertaken by local authorities has generally been controlled by programmes and loan sanctions. For example, in the Autumn of 1955 as a consequence of a general policy designed to reduce total demand in the economy which had evolved from the concern that productive resources were "carrying too heavy a load" resulting in the upward movement of costs and prices at home as well as pressure on sterling abroad, local authorities were asked to undertake an immediate review of capital expenditure for the period to 31 March 1957, and to review current expenditure in order to secure economies where possible. They were also asked to refrain, except in cases of exceptional need, from undertaking new services which would involve additional expenditure from government grants or from rates. The need to ensure that total capital expenditure - excluding expenditure on housing in the case of county district councils - in 1956-7 did not exceed the 1954-5 level was also stressed and it was suggested that no new works, even those already authorised should be commenced unless urgently necessary to meet the needs of the area. Whilst appreciating that some authorities would have special problems which might prevent them from fully carrying out the aims of the review, especially those with rapidly expanding populations and those whose capital projects were concentrated on one service in which they were already committed to expansion, the Government nevertheless suggested that some authorities should be able to reduce their capital expenditure to below the 1954-5 level . Under such constraints the need to prioritise expenditure in

the light of local circumstances was thereby reinforced. To give effect to the request of central government, local authorities had to consider the postponement of improvements envisaged in the standards of service provided in many areas. (150)

Whilst central government initially resisted any mandatory measures to curb local authority spending, the initial requests made to local authorities were reinforced six months later when the Government outlined its general policy towards local authority loan sanctions,

"Loan sanctions will be severely restricted for six months. During this period, it should be assumed that there will be a virtual embargo on all new capital projects or expansions of existing schemes." (151)

Such provisions applied to:

"all capital expenditure which has not already received loan sanction, even though it may already have been approved in principle or for the purpose of grant." (152)

The only exceptions to the general rule were to be housing and school buildings and certain major road projects where deferment would involve "risk to health or other vital interests". As far as airports are concerned these may have been regarded as constituting what was known as "other services" within the Minister's sphere of responsibility and the intention was not to authorise any new loans for capital expenditure whatsoever "except in cases of special urgency". (153)

It is suggested that whilst, as argued in the previous section, the Finance Committee of the Manchester Corporation was unwilling to accept the risks and liabilities involved in airport development in the 1950s, in their concern to ensure that the rate burden was minimised they will inevitably have been equally influenced by such pressure emanating from central government.

The evidence suggests that during the 1960s similar control mechanisms were used to achieve objectives of economic management, for example, a Ministry of Housing and Local Government Circular 62/65 issued on 6 August 1965, introduced measures to eliminate the balance of payments deficit and to maintain the strength of sterling. Local authorities were called upon to slow down expenditure on capital projects whether financed from capital or revenue and whether loan sanction had been secured or was required. (154)

In the 1970s, with local government re-organisation, the method of control over capital investment programmes was ostensibly eased with

the issue of the Department of Environment Circular 2/70 which set out the basis of central control over local authority capital investment. The objectives outlined in this circular included the provision of greater freedom for local authorities in planning their capital expenditure and the simplification of administrative procedures by eliminating the need for individual loan consents and for consents to use sale proceeds and by relaxing some of the limits on capital funds. In essence, the government sought to maintain its ability to monitor the total level and main trends of expenditure while reducing the detailed control of individual projects. (155)

In the "locally determined sector" capital expenditure could be funded by a block borrowing allocation, fixed and allocated to each local authority each year. For "key sector" capital expenditure specific loan sanction was required by the Government. In the context of local authority airports the construction and extension of runways required Department of Transport approval but all other capital expenditure fell within the "locally determined sector" and could be financed by a local authority without specific loan sanction. (156)

In furtherance of the objective of curtailing local authority spending powers, the Local Government Planning and Land Act, 1980 introduced new annual cash limits effective from 1 April 1981 on the total capital expenditure of local authorities irrespective of the method of finance (borrowing, lease/leaseback, capital funds, rates, revenues, etc). Each local authority received up to five annual block capital expenditure allocations for transport, education, housing, personal social services, and "all other services" (including airports). (157) In the "all other services" block, each local authority owning an airport had to assess the competing claims and decide whether the airport justified capital commitment. Whilst local authorities provided forecasts of expenditure for each of the succeeding four years and the resources available were determined by Ministers each year, the Government prepared global public expenditure forecasts. In respect of airports, it was up to Department of Transport Ministers to ensure that adequate provision was made for particular airport development projects. Fundamentally, there was no central intervention in determining capital spending priorities except under Section 73 where Ministers could earmark resources for a designated "project of national or regional importance." (158) For

airports, Section 73 covered firstly,

"significant capital expenditure on the expansion or improvement, in line with national airports policy, of operational facilities at airports fulfilling a national or regional role." (159)

and, secondly,

"Exceptional capital expenditure required by the national regulatory authorities to meet national or international standards of health, safety or security." (160)

Under the scheme then the provision of new terminals, runways and navigational aids could be considered, but not car parks, staff facilities, noise insulation schemes, etc. Other considerations establishing priorities included the appropriateness of the project size to the airport's anticipated development, the timing of the project, the rate of return, future profitability, etc. It has been argued that under this system of allocation more restrictive controls were imposed upon local authority airports in contrast to the State owned BAA airports where much capital could be funded from profits. Only in the event of the BAA requiring borrowing for investment was reference made to an External Finance Limit set annually by Government. (161)

Whilst loan sanction and programmes afford Government a direct means of controlling local government expenditure, control may also be exercised indirectly via the nature of borrowing and in this respect, significant trends emerge in the post war years. Before the Second World War, local authorities had the general freedom to raise loans subject only to the general oversight of government. (162) In the early post war years, the Public Works Loan Board (PWLB) became an increasingly significant institution funding local authority borrowing. The Board received funds from the Local Loans Fund administered by the National Debt Commissioners and initially the capital requirements of the Fund were met by the issue of Local Loans Stock. However, in 1947, outstanding stock was redeemed by payment from a consolidated fund and the net capital requirements of the Local Loans Fund were met by advances from the Exchequer. (163) Power of the Exchequer to make necessary loans to local authorities was embodied in the Local Authorities Loans Act and at the same time the lending powers of the PWLB were extended, progressively lending to a local authority for any purpose for which it had a statutory right to borrow. (164)

The major benefit to local authorities funding capital expenditure

from loans with the PWLB was that the interest rate charged in the early post war years was below the rate at which the Government could borrow for long terms. However, although a purpose of the Local Authority Loans Act had been to allow local authorities to borrow more cheaply at the same time the freedom in outside borrowing which local authorities had formerly enjoyed allowing them to borrow short term at very favourable interest rates had been taken away. (165)

Although in theory local authorities had free access to the funds of the PWLB, the complexity of administrative arrangements was a constraining factor. As access to the external long term capital market was restricted the incidence of temporary borrowing to meet capital expenditure pending the raising of longer term loans increased in the 1950s. (166)

In August 1959, the Radcliffe Committee labelled the large increase in short term borrowing by local authorities as contrary to the funding policy of the monetary authorities. The proportion of total debt funded in this way had increased from 3.2% in 1955 to 15% by 1963. (167) Borrowing for new works alone amounted to £550 million in 1962 and by this time local authorities were also having to re-finance a rising amount of maturing long term debt amounting to £370 million. Central Government argued that borrowing on such a large scale on the part of the public sector, particularly the impact of short term borrowing, affected not only the Government's own borrowing operations, but also monetary conditions generally. It was maintained that competition for short term funds by local authorities had pushed up temporary borrowing interest rates, but rising costs had not held demand in check as the only alternative had been to commit for longer terms at generally higher interest rates. In essence then, the development of the local authority borrowing market had resulted in the growth of a large volume of short term debt which was insensitive to interest rate policy. Given the ease with which liquid assets could be turned into cash without loss, the greater the stock of liquid assets the more difficult it was for government to influence spending especially on capital account. (168) In 1963, limits were placed on local authority borrowing for up to three months and between three and 12 months. Borrowing for up to three months was to constitute no more than 15% of outstanding loan debt and borrowing between three and 12 months was limited to 20%. (169)

In the post war era then, there is evidence suggesting a general tightening of central control of local authority expenditure by control of borrowing. The freedom of the pre-war years was undermined by the involvement of the Exchequer. Freedom to borrow short term has been increasingly restricted and the quota system introduced for the PWLB coupled with the attractiveness of interest rates may be regarded as a move towards less autonomy for local authorities.

Not all capital outlay in local government, however, is financed from loans, and a major loop-hole in central government control of local authority capital expenditure is apparent in the charging of capital expenditure to revenue thus circumventing control. (170) There are several ways in which a local authority can fund capital costs from revenue. For local authority trading undertakings, profits may be allocated to a Reserve Fund and invested, such sums may then be used at a later date to fund capital expenditure. (171) Renewals are capital costs and money spent on the renewal of assets of a long term life and transfers to renewals funds represent contributions from current income to future replacement. (172)

As a greater awareness of the ability of local authorities to circumvent central control has developed, so the ability to supplement capital allocations through the profits of trading services has also been curtailed by the re-definition of surpluses accruing from such undertakings in local authority accounts.

Traditionally, as suggested in Chapter Two, local authority accounts have not specifically provided for the depreciation of assets or their valuation. Although provision has been made for the repayment of loan charges this has not equated to the trading profit of a commercial undertaking. (173) The applicability of Current Cost Accounting to local authority accounts has been the subject of a paper by CIPFA's Local Authority Accounts sub-group, prepared in March 1979 - some relevance was seen for local authority trading services and, therefore, experiments in presenting CCA accounts on live data for 1979/80 were put into operation. In April 1981, the local authorities assessment of the validity of CCA for trading services was pre-empted by the issue of Department of the Environment Circular 14/81 which introduced the calculation of trading profits on a Current Cost Accounting basis. (174) Applying current costs involves the valuation of each asset adjusted to take account of the current valuation at the end of each

accounting period, creating reserves for depreciation to facilitate the purchase of a new asset at the end of its useful life. (175) For local authority airports even if the cost of a project can be met from airport reserves, approval has to be sought from the Department of the Environment to items of public expenditure by illustrating that on a current cost accounting basis the airport would generate sufficient profits for the appropriate financial year in order to meet the cost of capital works undertaken from its profits. (176)

In respect of Manchester Airport, it is clear that given municipal ownership, investment decisions may have been influenced by external factors emanating from the relationship with central government in the post war years. In this respect, the direction and amount of capital expenditure of local authorities has been subject to direct control via programmes and loan sanctions, but tighter control has been exercised in recent years via the institution of cash limits. Similarly, the trend has been towards tighter control via the nature of borrowing, which local authorities have sought to by-pass through the introduction of more elaborate methods of capital funding and by the use of surplus revenue to support capital investment. However, in this direction also, local authorities have been constrained by the introduction of such practices as current cost accounting, equating the process of investment decision making more nearly with that of the private concern.

It has been argued that during the period when the Airport was a burden on the rate, that is up to the late 1950s, the Finance Committee were probably influenced by such external pressures in the advice put forward to the City Council. It is argued that with the incidence of surpluses from 1957-8 such direct pressure acting against airport development was eased. However, it should be borne in mind that given the nature of Local Government and the factors highlighted in the previous section such as the pursuit of non-commercial objectives and competition with other services for resources the very incidence of surpluses could have curtailed future airport development. In other words, given political objectives, not least being the desire to remain in power, it is possible that elected members could have sought to employ surpluses to reduce local rates in the face of a reduction in funds from central government. In effect, surpluses from airport operation could have been used to subsidise other local authority

services. However, it is argued that this generally was not the case, as measures were introduced providing greater autonomy distancing the financing of the airport from other services.

The Manchester Corporation (General Powers) Act, 1930 had empowered the Corporation to establish a fund for defraying expenditure on maintenance and renewal of works, plant appliances, or items the cost of which was chargeable to the General Rate Fund. This provision had encompassed the Ringway Airport. Thus the Airport Committee began to build up sums for the renewal of plant and equipment at an early stage of development. (177) Up to the early 1960s the Renewals Fund had adequately covered vehicles, etc, but by 1963 the Airport Committee was facing heavy expenditure on the re-surfacing and re-construction of aprons, aircraft standings and access roads inter-alia. Given the proposed extension of the airport at that time, and the expected growth in traffic, the Renewals Fund cover for the airport was extended to embrace works as well as plant and equipment and an initial contribution of £30,000 was made in the year ending 31 March 1963. (178) The effect of this move is highlighted in Table 3.7, where it can be seen that contributions to Renewals Funds as a percentage of operating expenditure increased from 2.6% in 1961-2 to 8.0% in 1962-3.

As Manchester airport expanded, further measures were taken to secure funds for its future development. Section 30 of the Manchester Corporation Act, 1965, extended the definition of trading undertakings to include the airport. This meant that although remaining ostensibly part of the General Rate Fund of the City, a revenue surplus in any one year could be applied for the repayment of loans and for renewing, extending or improving works and equipment. A Reserve Fund could also be set up which could be used to make good to the General Rate Fund any deficiency in revenue pertaining to the airport, to meet extraordinary claims or demands arising against the Corporation in respect of the undertaking, or to renew, extend or improve any works forming part of the airport. In essence, whereas prior to 1965, any revenue surplus or deficiency on the airport accounts was automatically credited to or charged against the Rate Fund, in subsequent years surpluses could be used for specific purposes related to the airport. In effect the City Council retained the right to use the profits of the airport for the benefit of the rate, but had no compulsion to do so; it also retained the right to set profits aside to establish the airport on a self-

supporting basis and Table 3.8, provides an indication of the way in which the airport's general reserve was built up from this period. (179)

In establishing Manchester Airport as a trading undertaking, the City Council also had to prescribe the maximum amount to be accumulated in the Airport's Reserve Fund. At 31 March 1965 capital outlay stood at £5,761,324 but was expected to increase substantially with the heavy programme of capital expenditure. It was thus agreed that an arbitrary 10% of capital outlay at any one time was appropriate to provide for the reserve. The sum of £293,264 standing to the credit of the Airport Committee in the General Rate Fund Renewals Fund was, therefore, immediately transferred to the Reserve Fund set up specifically for the airport undertaking. (180)

Given the constraints imposed upon Local Government finance by central government in the mid 1960s, the specific aim of setting sums aside for the future development of Manchester Airport and for enabling it to become self-supporting came into conflict with the general objectives of the local authority as a whole. To some degree the reduction in contributions to renewals funds from 1965/6 to 1967/8 shown in Table 3.7, may be seen to reflect this phenomenon. Again, the Airport Committee and the Finance Committee of the City Council were at variance. Although the Airport Committee was concerned about the need to spend large sums of capital to develop Manchester as an international airport, the Finance Committee requested that a contribution of £108,000 equivalent to the product of a penny rate be made to the General Rate Fund for 1965/6 and 1966/7. Various arguments supported the Finance Committee position. For example, by virtue of being a Corporation department, the airport saved substantial sums (about £80,000 per annum) in taxation exemptions embodied in the Finance Act of 1965. (181)

Even after acceding to this request the amounts held in reserve would remain not far below the 10% of capital outlay prescribed. Ultimately, the Finance Committee's request had to be acceded to. Prior to suggestions that rate contributions should be maximised in order to relieve the financial pressure on the Authority, operating surpluses of the airport had been increasingly applied to supplementary debt redemption to reduce the burden of debt charges and more firmly cement the airport's future. In this way, the product of airport

operation had been ploughed-back rather than being dispersed to the General Rate Fund which would have represented a subsidy from the airport to other local authority services. However, as pressure for increased rate contributions intensified, more formalised arrangements were introduced with the development of a formula for ascertaining the contribution to be made from the airport's profits in aid of the rate, leaving the Airport Committee free to transfer the balance of profits to reserves. (182) With the scale of capital investment needed to provide for the new range of aircraft coming into service during the period, and the impact of inflation the Airport Committee argued that heavier demands were likely to be made on reserves during the construction phase so the maximum reserve for the airport was raised to 20% of capital outlay which at 31 March 1968 represented £7,250,223. (183)

As suggested in Chapter Two, the major construction project which was to take the airport into the next decade was the extension of the 1962 terminal building which, by its completion in 1974, was expected to involve a capital cost of £10,588,000.

(184) Having maintained financial policy in the past to cater for future development, the proposed re-development of the terminal building represented a viable proposition although a forecast net income of £950,000 was expected to be reduced to £260,000 under the impact of increased debt charges and maintenance costs. In funding this capital expenditure substantial reserves, as indicated in Table 3.8, could be called upon to supplement borrowing. However, with the introduction of tighter controls on borrowing, new methods of capital funding were introduced. Warburgs, the Merchant Bankers, supplied £800,000 for five years at an interest rate of 8-9% per annum on security of the third pier which was to be constructed as part of the extension. In effect, this represented a "lease/lease-back" arrangement under which at the end of the loan period, the Corporation could "buy-back" the pier. The advantage of such arrangements was that capital expenditure was in effect deferred but in the long run ownership of an asset could be retained. (185)

The terminal building extension was completed in 1974, but in the same year, the financial stability of the airport was threatened by the decline in air traffic, as highlighted in Chapter Two. In the financial year 1974/5, Manchester Airport reported a loss of £459,000

after re-payment of debt charges. As previously mentioned, with the institution of joint ownership by the City and County the sum of £400,000 had been paid to the City of Manchester for the transfer of assets in the same year. (186)

With the institution of joint ownership of the Airport, the question of the future distribution of profits to the two parent bodies had to be considered and under the "Airport Agreement" two conditions were specified to govern this. Firstly, until the end of a "prescribed period" all profits - after allocation of contributions to Renewals Funds and after payment of debt charges - were to be transferred directly to the airport's General Reserve. The "prescribed period" was defined as the number of years required for the airport to adjust to joint ownership arrangements and to consolidate its position as an international airport. After the end of the "prescribed period" no distribution of profits was to be made until such time as the funds held in the General Reserve were restored to 10% of the total value of fixed assets. (187)

Although the misfortunes of 1974 and 1975 had reduced the General Reserve from a peak of £1.25 million to about one third of that figure and the Renewals Fund balance from £974,000 on 1 April 1973 to £772,000, as suggested in Chapter Two, traffic improved in 1975 revealing better prospects of substantial surpluses being earned prior to any major runway development. (188)

As the period of large disposable surpluses opened up, the Airport had to counter the impact of the economic restraint emanating from central government. A Department of the Environment Circular 37/77 had indicated a reduction in capital resources between 1977/8 and 1978/9 of 4% on key sector services and 12.2% on locally determined sector services. The Airport Authority had to consider the development of a programme to cater for a number of requirements. Firstly, renewals fund expenditure had to be analysed to determine reasonable contributions to be made in future years. Secondly, the level of debt charges or leasing charges to be incurred subject to estimates of capital expenditure had to be considered. Thirdly, the extent of revenue contributions to capital outlay had to be determined along with a guide figure for the profit distribution which the parent authorities could expect each year. (189) As indicated in Tables 3.7 and 3.8 greater sums were allocated to Renewals Funds and the General Reserve

in the financial years 1956/7 to 1979/80.

As the airport had continued to consolidate its trading position in the second half of the 1970s, increasingly competing with major BAA airports for the traffic of the West Midlands and the Northern regions, the need to establish a rate of return to align the financial structure of Manchester Airport more closely with that of the BAA had been pressed by airport management. However, the institution of a budgeted rate of return was also regarded as offering the facility to budget for the creation of Renewals and Reserve Funds "free from political intervention" in the shape of pressures for greater profit distributions. (190)

In 1979 it was agreed that the distribution of profits would be based upon the achievement of an average rate of return calculated over a number of years as there would be periods when the airport's financial position would allow for distribution above average rate and others when the distribution would, of necessity, be lower. The target average rate of return agreed was 5% of the value of capital assets for the first three years following the end of the "prescribed period" on 31 March 1980. Estimates for 1980/1 and 1981/2, therefore, provided for about £1 million to be paid to each authority in 1980/1 and £1.3 million in 1981/2. Provision was made for increasing the revenue contribution to capital outlay (funding a large proportion of capital spending from the Airport Authority's own reserves) and debt charges were to be reduced by the receipt of aid from the European Regional Development Fund and by supplementary debt redemption. (191)

Further pressures had been placed on airport finances under the Local Government Planning and Land Act, 1980, which restricted the level of capital expenditure at local authority airports through capital allocations for "Projects of National or Regional Importance". Under this new allocation, capital expenditure by borrowing was limited to £8.1 million in 1981/2. (192) Capital expenditure, therefore, had to be more closely monitored to ensure that cash limits were not breached and as borrowing powers were curtailed, the need to increase revenue contributions to capital outlay was reinforced. (193) Thus revenue contributions to capital outlay were increased from £0.5 million in 1979/80 to £3.3 million in 1980/1. Whereas in 1975/6 capital expenditure of £0.760 million had been funded from borrowing in later years the sources of capital finance were more diverse. In

1981/2 82.4% of capital expenditure was funded from borrowing, 1.7% from leasing, 13.8% from Revenue Contributions to Capital outlay and 2.1% from the Renewals Fund. In the next year, these proportions were 37.1%, 10.5%, 49.9% and 2.5% respectively. (194)

Whilst the Manchester International Airport Authority faced tighter controls on borrowing and cash limits the same applied to the two parent authorities. As suggested, it had been hoped that the establishment of a rate of return would pre-empt any pressure from the Authorities for increases in profit distribution. However, in 1980/1 and 1981/2 the parent authorities, facing cash limits, began to press for distribution in excess of the originally agreed 5% of capital outlay. As a result, distributions of £3.8 million and £5.0 million were made. The source of the increased distributions was supplementary debt redemption. An estimated supplementary debt redemption of £1,770,000 for 1980/1 was deleted, resulting in additional debt charges of £318,610 in 1981/2. Estimated supplementary debt redemption of £3,268,808 in the 1981/2 estimates was also reduced to £596,798 to allow for a total distribution of £5 million to the parent authorities representing a rate of return of 9.45% on capital assets calculated on a historical cost basis. (195) Whilst in the second half of the 1970s priority had been given to building up the airport's general reserve in 1980/1 and 1981/2 no contributions were made to the reserve.

Although central government policy regarding the financing of local authority services created the potential for a conflict of interests between the needs of the airport and the wider needs of its municipal owners, clearly in the deficit years, airport development took priority in Council and the short term view was rejected. As surpluses began to accrue, no doubt a larger distribution of profits could have been achieved by elected members but with profitability came greater autonomy and the designation of the Airport as a trading undertaking. During the decades preceding the institution of cash limits, funds for the future development of the Airport were made available. Surpluses tended to be ploughed back whilst relatively small distributions eased the overall rate burden when local authority finance was constrained. Indeed, in the recession of the 1970s, when the Airport's profitability was threatened, priority was given to the recovery of reserves, again reflecting a long term view and the rejection of short term gain in the form of distributions of profit. In this respect, it is argued that

despite the pressures of central government control of the distribution and level of local authority capital funding, the City Council and later the Manchester International Airport Authority, tended to operate much like any commercial concern.

3.3 AIRPORT MANAGEMENT STRUCTURES UNDER MUNICIPAL OWNERSHIP

As suggested in Chapter One, as the scale of airport operation increases so too does its complexity. Organisational structures will, therefore, be evolutionary in nature, depending partly on previously existing structures and partly on the pressures for change. Although such a trend is generally discernible at Manchester Airport, municipal ownership has introduced a number of factors to the equation which would have been absent under alternative ownership regimes. It is argued that such factors as the support of the operation by a large body of professional Local Government officers proved advantageous particularly in the decades of rapid planning and development in the 1950s and 1960s. However, the process of development in itself called forth the need for greater specialism and autonomy in airport operations which was reflected in the extension of the Airport Department. Whilst under City Council ownership, the transition was gradual and organisational structures tended to evolve. However, the institution of joint ownership introduced difficulties in co-ordination of functions which accelerated the process towards greater autonomy, distancing the Airport from its municipal custodians.

In the inter-war years, municipal airports could be managed in a number of different ways. Some municipalities, like Birmingham and Liverpool, chose to operate their airports as direct trading services. This approach afforded maximum control but also greatest risk and a local authority anxious to attract the interests of the airlines had to be cautious in the selection of an aerodrome manager who would have to cajole the airlines into establishing routes. An alternative arrangement was to place the responsibility for the day to day operations with the local aero club as was the case at Cardiff, Renfrew and Newcastle. Thus local knowledge and enthusiasm could be channelled into the scheme, but on the other hand, the amateur approach of such voluntary associations could prove to be a disadvantage, as Cardiff Corporation felt to be the case, prompting a later decision to manage their airport directly. A few local authorities engaged the services

of private firms, specialising in airport management and essentially this was the case at Manchester. (196) Northern Air Lines (Manchester) Limited were given a contract initially to manage and operate air services from the temporary aerodrome established at Wythenshawe in 1929. The Corporation allowed the company the use of the landing ground, hangar and workshops at a nominal rent, no landing charges were levied for their aircraft, but all other fees were paid to the Corporation. (197) Although engaging a private firm to manage the aerodrome, the fundamental link with the local aero club was tentatively maintained in that John Leeming of the Lancashire Aero Club had been responsible for establishing Northern Air Lines. A private management firm established in this way could effectively build upon the financial incentives given by Government to light aeroplane clubs which received grants for general expenses and for training pilots. (198)

Subsequent arrangements at the Barton aerodrome were modified to the extent that the Manager of the aerodrome had been jointly employed. The Manager's responsibilities covered a wide spectrum including not only aerodrome management but also "proper keeping of books, returns, accounts, etc, as may be reasonably required by the Corporation, Air Ministry or other approved body." The specification of duties included dealing with weather reports, storage, visiting aircraft, petrol, oil, signals, etc, and ensuring that all navigation regulations were properly adhered to. Northern Air Lines provided the services of office staff and mechanics, whilst the Corporation contributed the posts of two groundsmen or labourers equipped with such items as spades, roller, tractor, etc. At the time it was felt that this arrangement would be mutually advantageous. The management fee would assist the company in the early and difficult stages of development and would constitute a form of support in fostering commercial air services in Manchester. (199)

In effect, the arrangements proved to be unsatisfactory with Northern Air Lines going into liquidation in 1933, nevertheless, the Corporation engaged another private firm, Airwork Limited, to manage the Barton aerodrome. Airwork had been established by Alan Muntz and Nigel Norman, the latter being an aviation consultant who had gained his business experience with the Metropolitan Railway. Airwork's first project had in fact involved the design of the Heston Airport which in

1929 had been constructed as the model airport catering for the amateur pilot. However, despite a wider involvement in aviation Airwork proved to be little more successful than Northern Air Lines and in 1937, the City Treasurer investigated the operations of the company. It was revealed that the financial results of the company's trading at Manchester were as follows:

5 months to September 1933	£136 profit
Year to September 1934	£994 loss
15 months to December 1935	£386 loss
Year to December 1936	£553 profit

Over the period of operation of the management agreement, the Company had, on the whole registered a loss of £689. As it was anticipated that the bulk of the traffic using the Barton aerodrome would transfer to Ringway once it opened, it was likely that the Company would sustain a heavy loss during the remaining two years of the agreement, and, therefore, the Corporation was asked to concede some relief. However, termination of the agreement was deemed to be the most appropriate course of action. Clearly, given past experience, the Corporation favoured an option offering maximum control and it was deemed appropriate for the Airport Manager to assume responsibility for both the Barton and Ringway airports allowing them to be administered and staffed more or less in parallel. Although this arrangement implied the loss to the Corporation of receipts from Airwork, payments in respect of the management fee, housing and landing fees, etc, could be saved. Similarly, all rents payable by F Hills and Sons Limited, a tenant at Barton would pass to the Corporation rather than a proportion being claimed by Airwork. In total, a saving of £485 per annum was anticipated against which had to be set the employment of a Deputy Manager and clerical staff at Barton to relieve Airwork of their responsibilities. Whilst additional expenditure of £85 per year was involved in the Corporation assuming the management of the Barton Aerodrome, it was decided that this would be outweighed by the advantage to be gained from establishing a staff which could be readily interchangeable between the two airports. (200)

From 31 April 1938, Manchester's airports were directly managed by the Corporation and a separate Airport Department was established. By October 1939, a total of nine Corporation staff were employed at Barton, including a Deputy Manager, General Assistant, Junior,

groundsman/foreman, three groundsmen and two night watchmen, one permanent and the other temporary. The Ringway site constituted the management and administrative centre of the Department and assisting the Airport Manager were a senior administrative assistant, a general assistant, a junior, two shorthand typists, a telephone operator, a maintenance engineer, six labourers and one night watchman. (201)

With the establishment of the Airport Department, it had been agreed with the Town Clerk that the Airport Manager would undertake all administrative work of the Airport Committee except committee work which was carried out by the Town Clerk, one member of staff was thus transferred from the Town Clerk's Department to the Airport Department. (202) The transfer of responsibilities from other functional departments tended to be relatively limited throughout the early period of growth and development at Manchester Airport and the Airport Department received considerable professional support from other departments of the Corporation. For example, the City Treasurer's Department was responsible for the payment of accounts and processed all concessionary payments consisting of the quarterly invoicing of any flat rate payments provided for in concession agreements and the calculation of any variable charges according to the detail of the agreement. The Treasurer's Department also issued invoices for rental charges on property owned by the Corporation. Any applications received for tenancies, etc, of accommodation at the airport, if approved by the committee, were passed to the City Estates Officer to negotiate terms and conditions. (203) Throughout the period of runway and terminal development of the 1950s and 1960s, the City Architect discharged the design function in respect of buildings and supervised the work of private consultant architects, where necessary. (204) Similarly, the City Engineer and Surveyor's Department had been heavily involved in the design of five runway extension schemes including ancillary works and the construction of roads, etc, to the new terminal building, often supervising the work of civil engineering contractors. By the early 1970s, a section of the department was virtually devoted to airport work whilst the professional advice and guidance of the City Engineer, his deputy and top echelon officers was provided on a part-time basis. (205) When the Town Hall Committee proposed the appointment of an Information and Publicity Officer to develop the existing information services and introduce a publicity service in

1963, it was assumed that this officer would absorb responsibility for publicity and information regarding Manchester Airport. (206)

Whilst by the late 1950s the Airport Department had grown substantially with an Airport Director and Assistant heading relatively large sections discharging administrative, accounting, maintenance, fire and police functions, generally speaking the activities of airport based personnel were satisfactorily co-ordinated with the support services provided by the other functional departments of the Corporation. However, there was an early trend towards greater autonomy within the Airport Department in certain areas of activity. As early as 1964, the Department pressed for a dedicated Press and Public Relations Officer to answer queries from the Press regarding day to day matters; to disseminate information to local and national press agencies; to deal with enquiries regarding the airport and its facilities; to arrange press conferences and interviews and prepare promotional publications and brochures; to arrange VIP receptions; to co-ordinate the activities of public relations officers of the airlines regarding publicity; to promote freight and passenger traffic by supplying information to industrial organisations; to publicise arrangements for organised visits; to give lectures on the airport's history and development; to negotiate the sale of advertising facilities at the airport and finally, to control the activities of press agencies on the airport. This post was finally established in 1970. (207)

Whilst up to the late 1960s the implementation of capital schemes remained largely a responsibility of the technical departments of the Corporation, with the need to implement major passenger terminal extension schemes over a five to six year period, the need for establishment of a separate development section based permanently at the airport was stressed. The passenger terminal extensions proposed were unlike any past development of terminal facilities, that is, the existing terminal building had been built on a separate site some distance away from the passenger terminal which had been in use at the time of construction. The extension of facilities proposed in the late 1960s, however, was to involve much critical planning to maintain the building programme and at the same time, ensure that the operation of the airport was maintained with the minimum of disturbance. Also, the urgency of carrying out the passenger terminal project dictated an

extremely tight phasing programme necessitating complicated functional planning work. As a result of these requirements it was resolved that a development section be established responsible for the planning and implementation of all capital building development from 1969. (208)

In addition to establishing new specialisms by the 1970s the Airport Department had expanded its senior management structure to include an Airport Director, a Deputy Airport Director and five Assistant Airport Directors responsible for Personnel and General Administration, Development (Buildings and Landside), Operations, Engineering and Finance (the organisational structure applying at this time is illustrated in Appendix 3.1), nevertheless, the fundamental link with support services from the City Council was maintained. (209)

With the institution of joint ownership of the Airport by the City and the County, the question arose as to how the provision of such support services should be divided between the two authorities. In principle, it was agreed that the Manchester Airport Joint Committee should be serviced by a joint secretariat with the Chief Officers of both City and County being able to submit reports either jointly or separately on matters affecting the airport. Thus, in terms of the advisory role regarding the Committee's future policy, this was seen as fundamentally a joint responsibility. Support services were generally divided on the basis of each authority being responsible for the provision of particular services. The County was to carry the responsibility for routine financial services including insurance of airport assets, payment of staff and the raising of capital. The County also discharged the personnel function. Although staff of the airport were ostensibly under the direct control of the Manchester Airport Joint Committee (MAJC), for payroll purposes they were nominally on the establishment of the County Council. The City Council administration provided support in the secretarial, legal, architectural design, building maintenance and construction, and valuation spheres of activity. (210)

The single support service which was maintained by the two authorities concurrently was the provision of engineering services. The County and City Engineers discussed the provision of civil engineering services for the MAJC and concluded that it would be appropriate to split the function with the County Engineer controlling activities, assuming responsibility for major projects allocated by the

MAJC like, for example, the possible provision of a second runway. In discharging this function, the County Engineer was to organise the service on the basis of a joint design unit with specialist staff being seconded from both the City and County Engineers' offices. The City Engineer was to carry the responsibility for all remaining minor civil engineering functions. (211) Whilst it would appear that sufficient care was taken to demarcate the bounds of activity between the two officers, within two years of the operation of the airport agreement, such lines of demarcation became a source of conflict. The Senior Assistant Airport Director noted that before re-organisation when all of the civil engineering works had been carried out by the City Engineer the system had worked "very satisfactorily", work had been completed on time, specifications had been correct and the whole operation had "run very smoothly". It was claimed that since re-organisation and the institution of split responsibilities and workloads difficulties had emerged from a lack of continuity and differences of professional opinion which had led to unnecessary meetings and added expense. (212)

At the time the views of the Chief Officers regarding their respective roles were at variance. Having decided that the allocation of responsibilities for civil engineering services at the airport under the Heads of Agreement had not operated satisfactorily, the County Engineer proposed a radical re-arrangement of functions which would have the effect of making one engineer responsible for civil engineering including maintenance, on "airside" (that is, the airfield proper, including runways, taxiways, aprons and all other aircraft bearing surfaces). If these duties were made the responsibility of the County Engineer, then the City Engineer would be responsible for "landside" including access roads, car parks and all other areas outside the airfield proper where aircraft would not penetrate the ground. This division of responsibilities was fairly commonly applied in the US and was also in operation at BAA airports. (213)

Technical considerations supported the County Engineer's proposals. It was argued that there was a need to associate the design of all aircraft-bearing pavements with maintenance as the design of such surfaces was not well founded in theory and in contrast to highway design there was little statistical data available to support design considerations. Thus the design of aircraft-bearing surfaces was

regarded as essentially a tentative and developing process not susceptible to precise analysis and, therefore, heavily dependent upon the detailed knowledge of the way in which aircraft pavements performed in practice which could only be provided by the feedback of information obtained from the limited maintenance experience available. It was also held that dangers arose from the division of responsibilities, as manifested by a particular problem regarding airport pavement work at Manchester where reflective cracking of relatively thin layers of asphalt laid over joints in concrete paving had occurred. Five years earlier, it had seemed that the problem regarding the western taxiway had been solved, however, in the interim, this had proven not to be the case. The proposed arrangement of responsibilities was seen to offer practical advantages in that it would concentrate specialist airport engineering under one engineer providing a greater continuity of work by reason of a larger and more diversified workload; design staff involved in the design of a second runway could gain experience of other schemes at the airport; there would be one strong airfield organisation instead of attempting to maintain two airport groups, either of which could become weak through a lack of experience and the City and County could organise staffing with more certainty of the workload for which it was being provided. (214)

The City Engineer held a professional opinion which was completely opposed to that of the County Engineer being unable to agree that the concept of an "airside/landside" breakdown of civil engineering and maintenance works was either logical or justifiable. If, as claimed, the existence of a separate unit for maintenance was inevitably problematical, then logically there would be no place in the industry for the consultant in airport construction. It was argued that when the new Authority had been set up, the City had employed an adequately well experienced airport section in the Engineer's department and had the City continued to be the sole owner of the airport, then an ad-hoc second runway team would have been organised within the section to deal with this concentrated workload. (215) The alleged benefits of the proposed re-arrangement of functions were hotly contested because, for example, the County Authority had no main drainage responsibilities, whereas the airport group within the City fell within the orbit of the Main Drainage Section, hence having immediately available the necessary specialist staff to deal with this aspect of the airport's development.

(216) Whilst the Chief Officers made their professional opinions freely available to the members of the Manchester International Airport Authority, the status quo prevailed not for any particular reasons of operational efficiency but rather because there was a general concern regarding any consideration being given to any changes in the draft agreement at such an early stage. (217)

By the late 1970s, the problem regarding the respective roles of the Joint Engineers had still not been resolved and difficulties of co-ordination had emerged in other areas of activity. In addition, another problem area had arisen; that of demarcating between the roles of senior airport management and the authorities' Chief Officers providing support services. As early as 1974, the responsibility for the processing of concessionary payments had passed from the City Treasurer to the Income sub-section of the airport and in the late 1970s, the issuing of invoices regarding rental charges on property owned by the Airport Authority had also been transferred. However, senior management at the airport registered dissatisfaction with the arrangement whereby the County Treasurer remained primarily responsible for the collection of income through invoices raised by the airport's Finance Division. In principle, the need for involvement of two Joint Treasurers in the provision of financial services was questioned, claiming that all routine accountancy should be carried out at the airport to facilitate the recovery of income. (218) Similarly, the distinction between the roles of the Assistant Airport Director (Personnel) and the County Personnel Officer had become blurred because although a post had been newly created ostensibly responsible for all personnel and industrial relations matters affecting Manchester International Airport Authority employees, discharging a full range of personnel duties with special emphasis on negotiation with Trade Unions, the County Personnel Officer could also claim responsibility for all industrial relations matters at Manchester Airport. In essence, the County Personnel Officer also consulted and negotiated with shop stewards and full-time Trade Union officials on all aspects of pay and conditions, conciliated and arbitrated on a wide range of disputes between employers and management, negotiated at national level on national pay settlements and assisted airport management in the formulation of efficient staffing structures and working arrangements. (219) In general, it was argued that some departments did not always

meet the airport's priorities creating delays and that the County and City professionals were taking responsibility for project management without consulting airport management, the reason given being that they had to intervene where airport management did not provide an efficient service. (220)

In the light of these difficulties a fundamental restructuring of arrangements was recommended and, as a result, greater responsibility was placed with airport senior management and a new organisational structure, as depicted in Appendix 3.2, was recommended. Whilst the City Engineer continued to provide a civil engineering maintenance service, both the City and County Engineers were to discharge their functions as contractors and, where necessary, consultants on major civil engineering works operating under a strengthened airport based combined operations and engineering function. Similarly, the City Architect and the City Estates and Valuation Officer had their lines of responsibility clearly demarcated, being responsible to the Airport Director via the Director of Planning and Development. The County Treasurer continued to act as Treasurer to the Airport Authority responsible for budgetary and strategic financial policies, for borrowing and for audit purposes, consulting with the City Treasurer on policy matters. Whilst the County Treasurer, therefore, continued to be an independent financial adviser to the Airport Authority, neither the County nor City Chief Officer was to be involved in the detailed financial issues relating to the airport. As far as the personnel function is concerned, it was recommended that the senior personnel officer at the airport should advise the Airport Director on personnel issues with back-up from the County Personnel Officer. However, emphasis was placed on the contention that the County Personnel Officer should advise and support the Airport Director and his staff and not provide independent advice to committee or operate separately from airport management. In essence, such proposals involved a point of principle that airport management and not the Airport Authority should be allowed to manage all aspects of the operation of Manchester Airport. (221)

From the establishment of a separate Airport Department in the 1930s, the responsibilities of airport based personnel had been adequately co-ordinated with support services provided by the City Council's functional departments and despite the devolution of greater

responsibility to the Airport Department to cope with the requirements of the process of growth and development, continuity had been generally maintained. However, the institution of joint ownership threatened to upset established patterns of administration. Initially, the status quo was undermined by the involvement of too many professionals operating from the centre and later by conflict between the central administration and airport management. However, ultimately the solution was provided by the strengthening of the specialist airport management function which, similar to the effect which the formation of a semi-autonomous airport authority had on member involvement, distanced airport administration from the Chief Officers of the two parent authorities.

3.4 CONCLUSIONS

Local Government control of Manchester Airport has had implications for its development and operation which bear little relation to the economic needs of airports in general. However, whilst investment in airport facilities has involved a high level of risk, the Manchester City Council has consistently adopted "positive" policies towards airport development which have tended to be more reflective of commercial objectives and the primary pursuit of profit, rather than any broader based purely political ends. The adoption of progressive policies towards the provision of airport facilities ensuring that rapidly changing technological requirements were accommodated and that at the early stages of development the largest aircraft of the day could operate through the airport implied a policy of revenue maximisation by capturing the more lucrative markets.

Throughout the periods of development an awareness of the need to compete with other airports has been manifested by the pricing policies adopted. As the scale of activity increased and financial security was established, a policy of price differentiation further consolidated an increasingly dominant market position.

Despite the constraining influence of central government control of the direction and level of local authority spending and the misgivings expressed by the custodians of local government finance within the Authority, the policies of the "spending committee" have always taken precedence over the priorities of other bodies and representatives concerned with wider issues. With financial independence positive

steps were taken to ensure that profits accruing from airport operation were "ploughed back" rather than being dispersed to the General Rate Fund to subsidise other local authority services.

Greater financial autonomy has been accompanied by greater managerial autonomy and a tendency towards "arms length" administration. Local Government re-organisation had direct consequences for airport administration, however the tendency towards greater autonomy had emerged prior to 1974 as a result of the need to foster specialist managerial skills to cope with the needs of airport development. Whereas this early trend towards greater autonomy had been gradual and evolutionary, the impact of Local Government re-organisation threatened to undermine past continuity and thus served to accelerate the process towards "arms length" administration.

Table 3.1

INCOME FROM RENTS AND CONCESSIONS AS A % OF TOTAL INCOME -
MANCHESTER AIRPORT

<u>(1)</u> <u>YEAR</u>	<u>(2)</u> <u>Y FROM RENTS AND</u> <u>CONCESSIONS (£)</u>	<u>(3)</u> <u>TOTAL Y (£)</u>	<u>(2) AS % OF (3)</u>
1946/7	10,502	16,236	65
1947/8	10,454	31,616	33
1948/9	15,730	38,560	41
1949/50	15,385	49,338	31
1950/1	16,482	54,394	30
1951/2	18,177	62,584	29
1952/3	26,599	92,065	29
1953/4	32,105	112,381	29
1954/5	16,317	140,261	12
1955/6	23,836	172,974	14
1956/7	36,945	216,982	17
1957/8	50,000	312,702	16
1958/9	38,789	378,332	10
1959/60	35,714	472,188	8
1960/1	36,660	551,999	7
1961/2	69,726	841,457	8
1962/3	152,579	1,030,616	15
1963/4	229,152	1,194,664	19
1964/5	251,283	1,294,165	19
1965/6	266,972	1,506,177	18
1966/7	308,535	1,773,641	17
1967/8	385,286	1,950,914	20
1968/9	493,650	2,196,013	24
1969/70	596,880	2,501,286	26
1970/1	800,481	3,110,973	25
1971/2	956,920	3,869,582	25
1972/3	1,162,092	4,380,687	27
1973/4	1,353,179	5,113,513	26
1974/5	1,612,605	5,677,009	28
1975/6	2,098,461	7,878,775	27
1976/7	2,786,902	9,913,315	28
1977/8	3,169,105	14,471,823	22
1978/9	4,306,000	18,434,000	23
1979/80	5,041,000	21,944,000	23
1980/1	6,444,000	29,105,000	22

Table 3.1 ContinuedINCOME FROM RENTS AND CONCESSIONS AS A % OF TOTAL INCOME -
MANCHESTER AIRPORT Continued

Notes: In calculating total income for this purpose, the following items have been excluded as distortions to the analysis of income from rents and concessions as a proportion of operational income:-

- (1) Miscellaneous income and interest
- (2) Revenue grant/Government grant
- (3) Fees for navigation service charge collection

Source: Compiled from statistics available in:

- (1) City of Manchester, Abstract of Accounts 1946/7 - 1973/4 and Estimates 1965/6 - 1973/4
- (2) CIPFA Financial Costs and Statistics of Local Authority Airports 1977/78; Accounts and Statistics of Local Authority Airports 1978/9 - 1981/2
- (3) GMC Abstract of Accounts year ended 31.3.75, 76, 77 and 78; Annual Report and Accounts 1979/80
- (4) Annual Reports of MIAA.

Table 3.2**AERONAUTICAL REVENUE AS A PROPORTION OF TOTAL REVENUE - MANCHESTER AIRPORT**

<u>YEAR</u>	(1) <u>REVENUE (£)</u>	<u>AERONAUTICAL</u> <u>REVENUE (£)</u>	(2) <u>TOTAL(1) AS % OF (2)</u>
1946/7	4,605	16,236	28
1947/8	18,209	31,616	58
1948/9	21,055	38,560	55
1949/50	32,394	49,338	66
1950/1	35,949	54,394	66
1951/2	41,401	62,584	66
1952/3	62,696	92,065	68
1953/4	78,834	112,381	70
1954/5	98,649	140,261	70
1955/6	117,542	172,974	68
1956/7	148,937	216,982	69
1957/8	230,851	312,702	74
1958/9	313,364	378,332	83
1959/60	412,708	472,188	87
1960/1	476,624	551,999	86
1961/2	720,027	841,457	86
1962/3	789,506	1,030,616	77
1963/4	855,518	1,194,664	72
1964/5	922,554	1,294,165	71
1965/6	1,060,035	1,506,177	70
1966/7	1,235,350	1,773,641	70
1967/8	1,295,090	1,950,914	66
1968/9	1,395,507	2,196,013	64
1969/70	1,540,593	2,501,286	62
1970/1	1,882,293	3,110,973	61
1971/2	2,428,792	3,869,582	63
1972/3	2,651,584	4,380,687	61
1973/4	3,028,604	5,113,513	59
1974/5	2,942,095	5,677,008	52
1975/6	4,507,992	7,878,775	57
1976/7	5,725,983	9,913,315	58
1977/8	9,216,626	14,471,823	64
1978/9	11,846,000	18,434,000	64
1979/80	13,211,000	21,944,000	60
1980/1	19,739,000	29,105,000	68
1981/2	25,017,000	33,252,000	75

Source: Compiled from statistics available in:

- (1) City of Manchester, Abstract of Accounts 1946/7 - 1973/4 and Estimates 1965/6 - 1973/4
- (2) CIPFA Financial Costs and Statistics of Local Authority Airports 1977/78; Accounts and Statistics of Local Authority Airports 1978/9 - 1981/2

Table 3.2 ContinuedAERONAUTICAL REVENUE AS A PROPORTION OF TOTAL REVENUE - MANCHESTER
AIRPORT Continued

- (3) GMC Abstract of Accounts year ended 31.3.75, 76, 77 and 78; Annual Report and Accounts 1979/80
- (4) Annual Reports of MIAA.

Table 3.3CONCESSION TERMS AND INCOME 1973-1975

<u>CONCESSION</u>	<u>TERMS</u>	<u>INCOME</u>
<u>Advertising:</u>		
"WHS Advertising Limited"	Three year period, ending 30.4.78. 75% of gross annual turnover.	1973: £5,902 1974: £5,694 1975: £4,779
<u>Binoculars:</u>		
"British Automatic Company"	29.4.70 for one year then terminable by 3 months notice either side, rental £150 pa for two sites.	1973 - 1975 £150 p/a
<u>Bonded Stores:</u>		
"ACS Limited"	35 years ending 14.1.2004 2½% of gross annual turnover, first £200,000 exempt.	1973: £5,522 1974: £7,777 1975: £5,444
"Servisair Limited"	1.6.71 indefinite, terminable by 6 months notice either side; 2½% gross annual turnover. Guaranteed minimum: £2,390 p/a.	1973: £7,073 1974: £8,549 1975: £9,205
<u>Bookstall:</u>		
"W H Smith Limited"	Three years ending 30.11.78 23% of gross takings on newspapers, periodicals, etc; 7% on cigarettes, tobacco and smokers' requisites; 18% on confectionery; 27% on toys and souvenirs; 20.75% on sale of transistor radios, record players, records, cassettes, etc; 5% on acceptance of customers' advertisements. Guaranteed minimum: £106,000 p/a.	1973: £42,710 1974: £46,473 1975: £55,210

Table 3.3 ContinuedCONCESSION TERMS AND INCOME 1973-1975 Continued

<u>CONCESSION</u>	<u>TERMS</u>	<u>INCOME</u>
<u>Car Hire:</u>		
"Avis Rent a Car Limited"	Seven years ending 30.11.80 10% of gross annual turnover Guaranteed minimum: £13,652 p/a.	1973: £12,343 1974: £15,104 1975: £19,782
"Godfrey Davis Limited"	Seven years ending 30.11.80 15% of first £50,000 gross annual turnover, 17½% up to £75,000, 20% over £75,000 Guaranteed minimum: £10,000 p/a.	1973: £13,711 1974: £14,091 1975: £14,819
"Hertz Limited"	Seven years ending 30.11.80 8½% gross annual turnover. Guaranteed: £16,000 1st year; £17,500 2nd; £19,000 3rd, £20,500 4th and 5th - 7th inc 22,000 p/a.	1973: £14,522 1974: £16,964 1975: £17,662
<u>Duty Free Shop:</u>		
"Finnigans Limited"	Three years ending 30.11.78 60% gross takings on liquor and cigarettes; 45% on gifts Guaranteed minimum: £1.4M 1st year; £1.6M 2nd and £1.8M 3rd 1.12.74 - £1,005,728)	1973: £520,299 1974: £667,214 1975: £764,043 (Established Y in last full year of concession 30.11.75
<u>Flight Catering</u>		
"ACS Limited"	35 years ending 14.1.2004 8 3/4% of gross takings and ground rent of £5,858 p/a.	1973: £44,774 1974: £52,248 1975: £49,020

Table 3.3 ContinuedCONCESSION TERMS AND INCOME 1973-1975 Continued

<u>CONCESSION</u>	<u>TERMS</u>	<u>INCOME</u>
<u>Fruiterers and Florists:</u>		
"Willerbys Limited"	Three years ending 30.11.78 7 3/4% of all gross takings Minimum: £520	1973: £1,028 1974: £1,040 1975: £1,293
<u>Fuel Farm</u>		
"Shell-Mex & BP" Joint Lease	21 years ending 31.12.91 £12,000 p/a and £1,250 per million gallons throughput.	1973: £25,920 1974: £27,719 1975: £22,499
"Esso Petroleum Co"	As above 1974: £13,286 1975: £13,226	1973: £12,137
<u>General Catering:</u>		
"ACS Limited"	Seven years ending 30.11.76 15% of gross takings on meals and refreshments; 18½% alcoholic and non- alcoholic drinks; 12% ice cream and confectionery; 5% cigarettes and smokers' requisites. Minimum: £50,000	1973: £88,720 1974: £86,937 1975: £87,689
<u>Gents Hairdressing:</u>		
"John Chilton"	Three years ending 30.11.78 15% gross turnover. Minimum: £1,000	1973: £934 1974: £1,091 1975: £1,006
<u>Gift Shop and Pharmacy:</u>		
"Hills Airport Shops Limited"	Three years ending 30.11.78 17% of all gross takings not exceeding £110,000 18½% over £11,000; 22½% over £160,000. Minimum 1st year £18,000, £20,000 2nd, £22,000 3rd.	1973: £8,953 1974: £16,037 1975: £15,892

Table 3.3 ContinuedCONCESSION TERMS AND INCOME 1973-1975 Continued

<u>CONCESSION</u>	<u>TERMS</u>	<u>INCOME</u>
<u>Filling Station:</u>		
"Gulf Oil (GB) Limited"	35 years ending 15.12.2009 £10,000 rent plus $\frac{1}{2}$ p per gallon sold.	Not available
<u>PO Telephones:</u>		
GPO	1.1.72 and shall remain binding subject to determination by either party with 6 months notice. 15% of all annual takings in all public coin boxes, all call boxes to exceed £200 p/a before % is paid.	1973: £2,607 1974: £3,314 1975: £3,201
<u>Weighing Machines:</u>		
"British Automatic Co"	29.1.70 for three years and then terminable by 3 months notice. Rental: £150 p/a for all sites.	1973-1975 £150 p/a
<u>TV Chair Units:</u>		
"Tele-Units Limited"	Six months trial from date of installation, when contracts exchanged one months notice by either party. 33% gross receipts, £12.90 per machine per week. 50% £13.00 to £17.90 66 $\frac{2}{3}$ % £18.00 or more.	Chair units installed 7.11.75
<u>Transworld Telephones:</u>		
"Transworld Telephone Contact Limited"	Three years ending 31.8.78 Terminable by mutual agreement after 1st 12 months. 10% of turnover up to £40,000; 15% of turnover £40,000 to £50,000; 20% of turnover £50,000. Minimum: £3,500.	

Table 3.3 ContinuedCONCESSION TERMS AND INCOME 1973-1975 Continued

<u>CONCESSION</u>	<u>TERMS</u>	<u>INCOME</u>
<u>Amusement Machines:</u>		
"Music Hire Group"	One year, three months notice either side, "Music Hire Group" take first £5 of weekly income and balance is split with MIAA.	1975: £49
<u>Bank and Bureau De Change:</u>		
"Midland Bank Limited"	Five year lease ending 16.6.74. Rental of £5,000 p/a plus a yearly concessionary fee of £7,500.	

Source: MIAA Mtg 6.2.76 Appendix 15 minutes of Concessions and Services
Special Sub-Committee

Table 3.4**BREAKDOWN OF AERONAUTICAL REVENUES – MANCHESTER AIRPORT**

<u>YEAR</u>	<u>£</u> <u>AIRCRAFT PARKING</u>	<u>%</u>	<u>£</u> <u>BAG & FR HANDLING</u>	<u>%</u>
1946/7	-	-	-	-
1947/8	922	5	-	-
1948/9	1,634	8	-	-
1949/50	3,076	10	2,500	-
1950/1	2,527	7	5,000	-
1951/2	1,745	4	8,329	20
1952/3	4,859	8	9,848	16
1953/4	5,424	7	14,638	19
1954/5	5,837	6	17,991	18
1955/6	4,866	4	22,061	19
1956/7	4,812	3	48,041	32
1957/8	6,734	3	68,552	30
1958/9	8,078	3	93,665	30
1959/60	7,496	2	110,378	27
1960/1	6,759	1.5	130,478	27
1961/2	7,243	1	171,843	24
1962/3	6,972	1	193,174	24
1963/4	3,423	0.5	218,553	26
1964/5	3,359	0.4	269,585	29
1965/6	4,314	0.4	321,526	30
1966/7	5,650	0.5	391,777	32
1967/8	5,315	0.4	430,053	33
1968/9	7,946	0.6	463,469	33
1969/70	5,545	0.4	500,605	32
1970/1	22,785	1	642,054	34
1971/2	26,425	1	784,791	32
1972/3	31,114	1	925,689	35
1973/4	42,231	1.4	1,032,363	34
1974/5	42,965	1.5	1,112,521	38
1975/6	71,225	1.6	1,057,262	33
1976/7	93,486	1.6	1,850,005	32
1977/8	113,642	1.2	2,060,733	22
1978/9	182,000	1.5	2,040,700	17
1979/80	241,000	1.8	2,680,000	20
1980/1	409,000	2.0	3,808,000	19
1981/2	519,000	2.0	4,505,000	18

Table 3.4 Continued

BREAKDOWN OF AERONAUTICAL REVENUES - MANCHESTER AIRPORT
Continued

<u>YEAR</u>	<u>LANDING FEES</u>	<u>%</u>	<u>PSC/PLS</u>	<u>%</u>	<u>TOTAL</u>
1946/7	4,605	100	-	-	4,605
1947/8	17,287	95	-	-	18,209
1948/9	19,421	92	-	-	21,055
1949/50	29,318	90	-	-	32,394
1950/1	33,422	93	-	-	35,949
1951/2	31,327	76	-	-	41,401
1952/3	39,847	63	8,142	13	62,696
1953/4	48,049	70	10,723	14	78,834
1954/5	63,213	64	11,608	12	98,649
1955/6	76,430	65	14,095	12	117,542
1956/7	79,930	54	16,154	11	148,937
1957/8	134,377	58	21,188	9	230,851
1958/9	187,542	59	24,079	8	313,364
1959/60	261,710	63	33,124	8	412,708
1960/1	295,232	62.5	44,156	9	476,625
1961/2	485,903	67	55,038	8	720,027
1962/3	521,146	66	68,214	9	789,506
1963/4	558,951	64.5	74,591	9	855,518
1964/5	567,636	61.6	81,974	9	922,554
1965/6	641,862	60.6	92,333	9	1,060,035
1966/7	731,145	58.5	106,778	9	1,235,350
1967/8	745,128	57.6	114,594	9	1,295,090
1968/9	795,173	57.4	128,919	9	1,395,507
1969/70	887,023	57.6	147,420	10	1,540,593
1970/1	1,020,275	55	197,179	10	1,882,293
1971/2	1,289,485	53	328,091	14	2,428,792
1972/3	1,323,861	50	370,920	14	2,651,584
1973/4	1,515,176	50.6	438,834	14	3,028,604
1974/5	1,410,582	47.5	376,027	13	2,942,095
1975/6	1,663,775	37.4	1,265,730	28	4,507,992
1976/7	2,080,844	36.4	1,701,648	30	5,725,983
1977/8	4,749,149	51.8	2,293,102	25	9,216,626
1978/9	5,785,000	52.5	3,472,000	29	11,846,000
1979/80	6,222,000	41.2	4,068,000	31	13,211,000
1980/1	9,153,000	47	6,369,000	32	19,739,000
1981/2	11,363,000	45	8,631,000	35	25,017,000

Source: Compiled from statistics available in:

- (1) City of Manchester, Abstract of Accounts 1946/7 - 1973/4 and Estimates 1965/6 - 1973/4
- (2) CIPFA Financial Costs and Statistics of Local Authority Airports 1977/78; Accounts and Statistics of Local Authority Airports 1978/9 - 1981/2

Table 3.4 ContinuedBREAKDOWN OF AERONAUTICAL REVENUES - MANCHESTER AIRPORT
Continued

- (3) GMC Abstract of Accounts year ended 31.3.75, 76, 77 and 78; Annual Report and Accounts 1979/80
- (4) Annual Reports of MIAA.

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Total landing charge (Basic Landing Fee plus Navigation Services Charge) - 3.50 at 1 April 1977
Annual rate of increase (excluding inflation) 2 %

[illegible]

Table 3.6**NORTH OF ENGLAND LANDING CHARGES IN 1981/2 FOR A BOEING 737 FULLY LADEN**

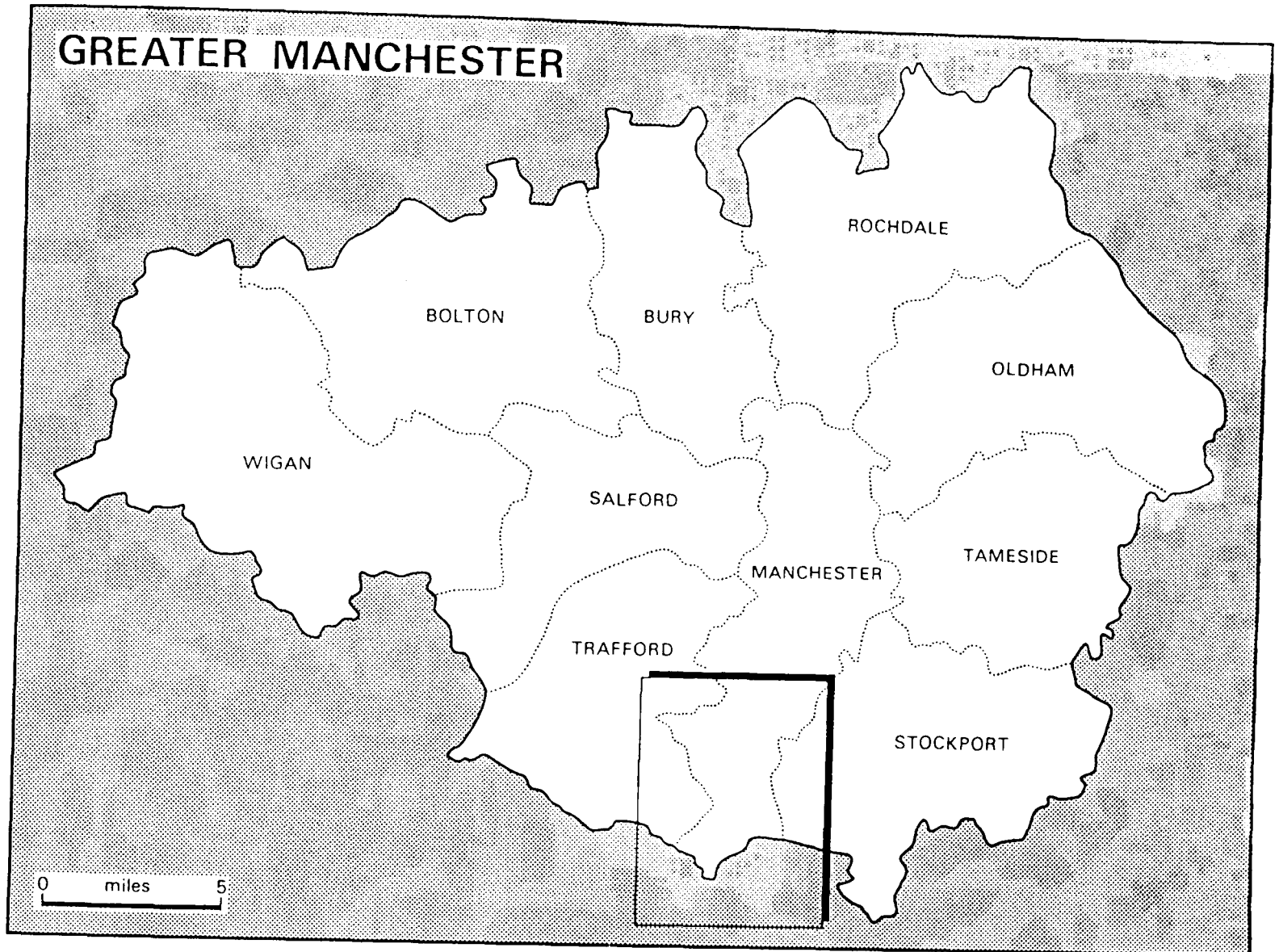
<u>AIRPORT</u>	<u>LANDING FEE (£)</u>	<u>INDEX</u>
Manchester	1,083	100 (P)
Leeds/Bradford	1,092	101
Birmingham	1,173	108 (P)
Blackpool	1,201	111
Liverpool	1,226	113
East Midlands	1,260	116 (P)

(P) = Profitable in 1981/2

Source: Comparison of North of England Landing Charges for Boeing 737 Fully Laden, set of transparencies produced by Manchester International Airport Authority.

Figure 3.1**THE GREATER MANCHESTER COUNTY, 1974**

(a) The Districts Comprising the County



(b) City of Manchester Boundary prior to Local Government Re-organisation

(c) Extension of the Boundary of Manchester as a consequence of Local Government Re-organisation, 1974

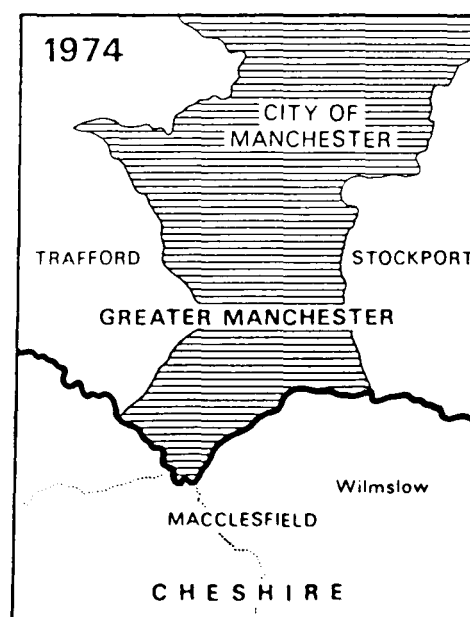
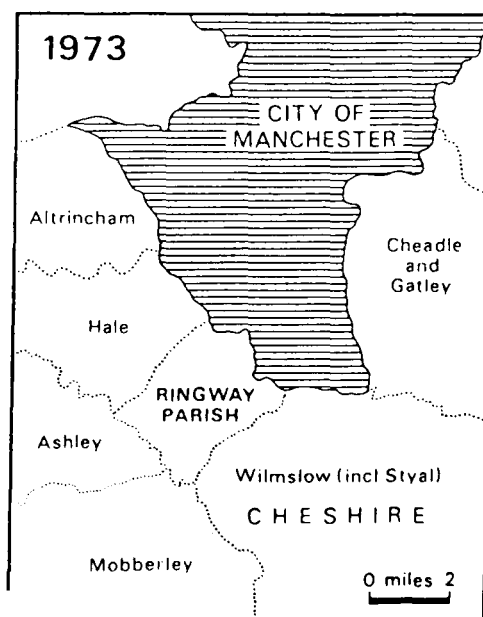


Table 3.7

**CONTRIBUTIONS TO RENEWALS FUNDS AS A PERCENTAGE OF OPERATING
EXPENDITURE**

<u>YEAR</u>	<u>RUNWAY</u>	<u>TRANSPORT & HEAVY PLANT</u>	<u>OPERATING EXPENDITURE</u>	<u>RENEWALS % OF OP EXP</u>
1939/40	265		16,151	1.6
1940/1	410		31,931	1.3
1941/2	389		33,785	1.2
1942/3	879		34,640	2.5
1943/4	584		34,999	1.7
1944/5	677		33,575	2.0
1945/6	511		34,473	1.5
1946/7	504		45,493	1.1
1947/8	525		40,142	1.3
1948/9	515		71,601	0.7
1949/50	522		76,167	0.7
1950/1	398		71,715	0.6
1951/2	435		93,100	0.5
1952/3	1,000		130,624	0.8
1953/4	1,000		163,005	0.6
1954/5	1,600		182,221	0.9
1955/6	2,500		199,421	1.3
1956/7	2,700		228,352	1.2
1957/8	5,000		275,078	1.8
1958/9	4,175		319,630	1.3
1959/60	7,710		337,795	2.3
1960/1		9,260	387,252	2.4
1961/2		15,390	600,987	2.6
1962/3	30,000	27,710	721,981	8.0
1963/4	80,000	22,000	899,606	11.3
1964/5	80,000	30,000	901,329	12.2
1965/6	20,000	12,000	934,761	3.4
1966/7	20,000	12,000	1,019,433	3.1
1967/8	24,700	17,560	1,170,281	3.6
1968/9	148,000	39,500	1,446,556	13.0
1969/70	123,000	80,000	1,602,910	13.0
1970/1	350,000	82,000	2,159,565	20.0
1971/2	300,000	86,000	2,462,527	15.7
1972/3	250,000	92,000	2,855,336	12.0
1973/4	150,000	27,000	2,279,535	5.2
1974/5	50,000		4,519,567	1.1
1975/6	495,000	90,000	6,307,224	9.3
1976/7	900,000	200,000	8,080,069	13.6
1977/8	2,300,000	250,000	13,240,327	19.3
1978/9	5,300,000	250,000	17,773,200	31.2
1979/80	4,300,000		19,630,408	22.0
1980/1	1,000,000	500,000	22,560,155	6.6
1981/2	2,194,400	500,000	26,598,000	10.0

Table 3.7 ContinuedCONTRIBUTIONS TO RENEWALS FUNDS AS A PERCENTAGE OF OPERATING
EXPENDITURE Continued

- Notes:
- 1 Figures for 1939/40 to 1959/60 are presented in sources as one overall figure, however, it is likely that such contributions were towards equipment replacement.
 - 2 £80,000 for runway renewals in 1964/5 were not an expenditure item, but deducted from the appropriation account.

Source: Compiled from statistics available in:

- (1) City of Manchester, Abstract of Accounts 1946/7 - 1973/4 and Estimates 1965/6 - 1973/4
- (2) CIPFA Financial Costs and Statistics of Local Authority Airports 1977/78; Accounts and Statistics of Local Authority Airports 1978/9 - 1981/2
- (3) GMC Abstract of Accounts year ended 31.3.75, 76, 77 and 78; Annual Report and Accounts 1979/80
- (4) Annual Reports of MIAA.

Table 3.8**ALLOCATION OF NET SURPLUS TO AIRPORT GENERAL RESERVE/DIVIDEND (OR CONTRIBUTION IN AID OF THE RATE)**

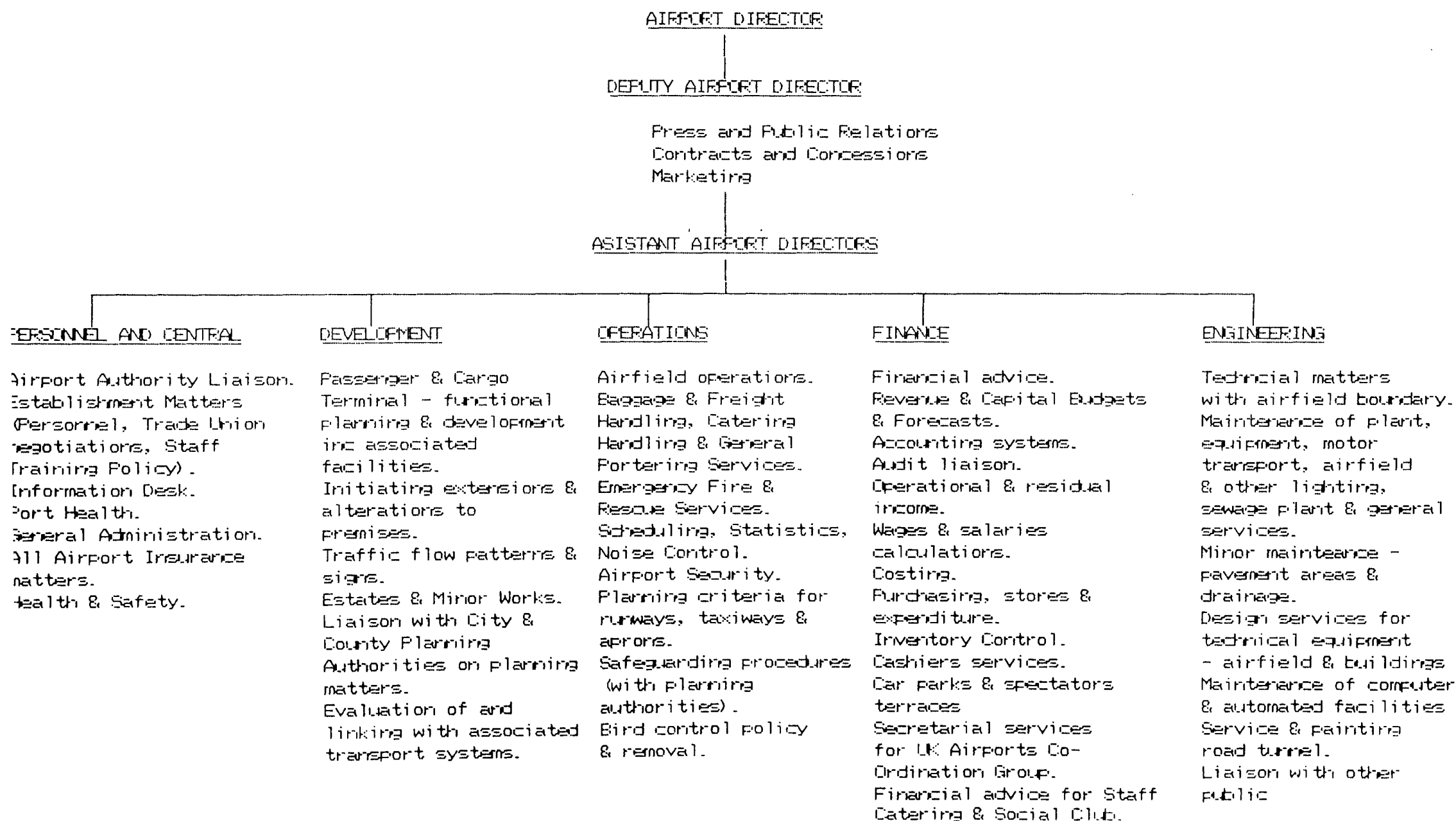
<u>YEAR</u>	<u>AIRPORT GENERAL RESERVE (£)</u>	<u>DIVIDEND (£)</u>
1964/5	-	30,154
1965/6	176,875	46,000
1966/7	219,904	108,000
1967/8	253,060	120,000
1968/9	200,000	172,721
1969/70	209,955	209,995
1970/71	249,788	249,787
1971/2	540,714	440,713
1972/3	479,414	379,414
1973/4	452,368	352,367
1974/5	848,936 (Deficit)	400,000
1975/6	64,115	-
1976/7	681,227	-
1977/8	988,067	-
1978/9	Data Not Available	
1979/80	-	1,751,303
1980/1	-	3,795,000
1981/2	15,000	5,000,000

Source: Compiled from statistics available in:

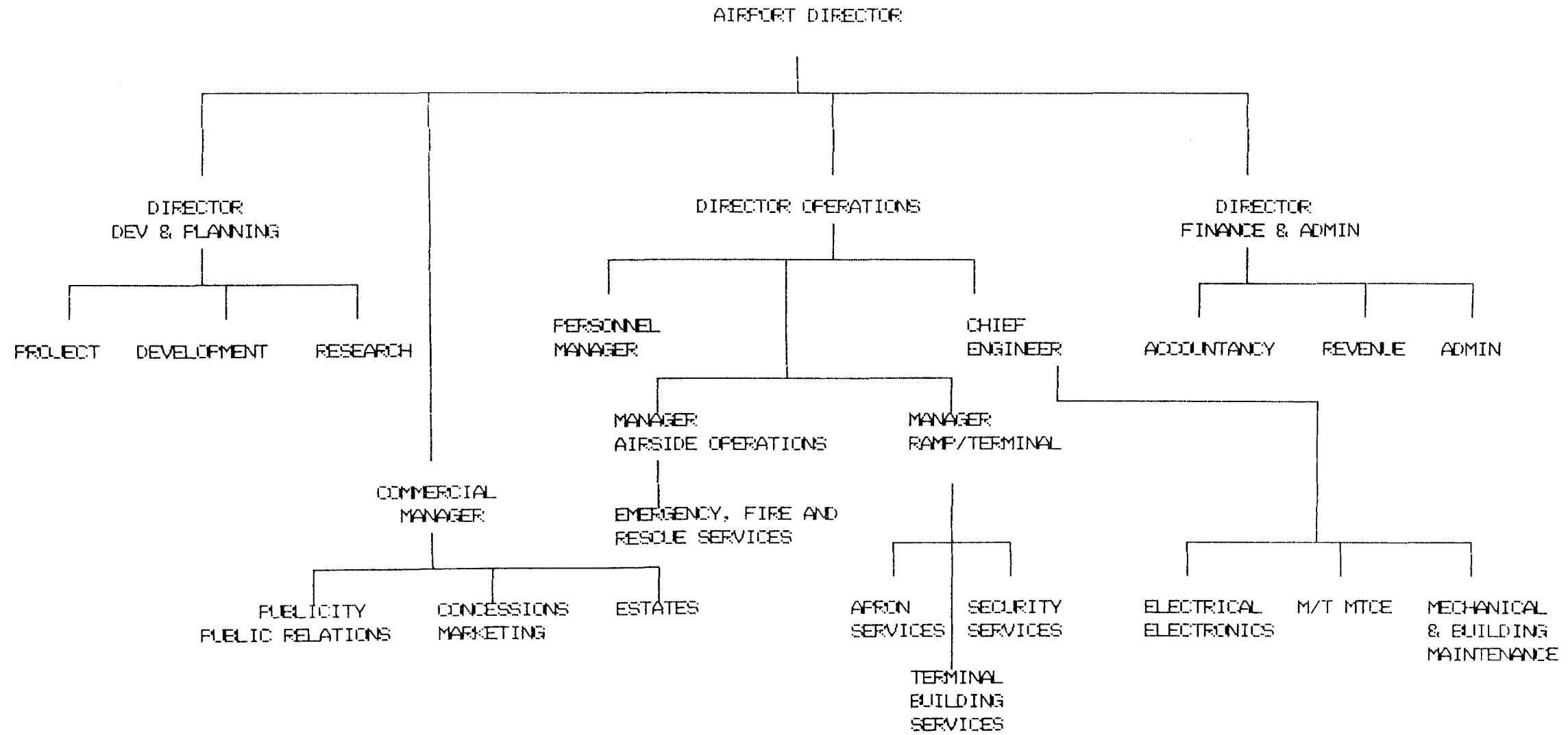
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- (3) GMC Abstract of Accounts year ended 31.3.75, 76, 77 and 78; Annual Report and Accounts 1979/80
- (4) Annual Reports of MIAA.

Appendix 3.1

MANCHESTER INTERNATIONAL AIRPORT AUTHORITY - MANAGEMENT STRUCTURE AND RESPONSIBILITIES



PROPOSED STRUCTURES



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CHAPTER FOUR

LOCAL INFLUENCES UPON THE ESTABLISHMENT AND EXTENSION OF AIRPORT FACILITIES

4.1 INTRODUCTION

This Chapter examines the extent to which the local community and its representative agencies have influenced the growth and development of Manchester Airport. From the preceding Chapter it is clear that particular goals and objectives are determined by the party in which ownership is vested. However, the achievement of these goals may be affected by the perception of institutions within an airport's immediate vicinity. In turn, the way in which an airport is viewed depends upon the relative position of various groups in respect of the externalities created by airport operation.

The objectives set by the airport owner can directly conflict with those set by the institutions responsible for planning in the local area, especially if such goals include, for example, to slow down the expansion of a highly urbanised region or to preserve an area as a valuable agricultural open space or recreational resource. In the local arena amenity groups often support planning authorities in opposing airport development, acting as a counterweight to airport "booster groups" such as local Chambers of Commerce.

At the outset it is important to note that with particular reference to aircraft noise statutory provision is generally weighted in favour of the airport owner. The protection of aircraft in flight dates from the Air Navigation Act, 1920, and was extended to cover aircraft on the ground by the Air Navigation Act, 1947. Sections 40 and 41 of the Civil Aviation Act, 1949 reinforced basic principles by prohibiting actions for nuisance arising from civil aircraft in flight or on aerodromes. Section 41 provided that no action could be taken in respect of nuisance related to noise or vibration caused by aircraft on an aerodrome. Although this provision came into force only if applied to an aerodrome by Order in Council its effectiveness was confirmed by the Air Navigation Order, 1960 which placed in the Minister's hands the powers to protect any aerodrome owner against an action for nuisance due to noise or vibration. Whilst earlier legislative protection had been provided because it was feared that unless individual's rights to

take action were restricted the civil aviation industry might not develop, by the 1960s Parliament had recognised that it may be impossible to avoid a noise nuisance but it was not in the national interest that aerodromes might be put out of action by proceedings in court. As public awareness of the general problem of industrial noise heightened the Noise Abatement Act was passed in 1960. However, Section 1(7) again exempted aircraft noise. As recourse to litigation has been constrained in this way, representations at public inquiries has been the only means by which the views of the local community have been pressed.

For the airport owner the incidence of externalities suggests a need to strike a balance between the interests of the airlines and their customers and the interests of those living in the immediate vicinity of an airport. However, in respect of Manchester's airport at Ringway, the local authority ownership of an airport sited outside the City boundaries has itself had implications for development. In effect, the question of airport development has enmeshed with the municipal rivalries which exist between the local representatives of rural areas and those of large metropolitan areas.

This Chapter is divided into three main sections addressing firstly the implications of the ownership of an airport sited outside the local authority boundary and then examining the influence of airport "booster" groups and opposition groups in setting the local agenda for development.

It is argued that although the Manchester Corporation came into conflict with other local authorities in which the control of land was vested the needs of the ratepayers of Manchester took precedence over the interests of the rural community in which the airport was sited. As aerodrome owner the Corporation was conscious of the need to minimise the extent of disamenity within its own area and thus attempted to shift the opportunity cost of development onto other local authorities. In essence, opposition to airport development from both local authorities and amenity groups was futile.

Similarly the role of local interest groups in promoting airport development has been limited whilst initially the establishment of airport facilities in Manchester was supported, the position of airport "booster" groups was often ambivalent particularly when faced with the uncertainty regarding development requirements. Essentially then

influence of the local community on airport development has been limited and the overriding influence on the local agenda has been the local authority in which airport ownership is vested.

4.2 OWNERSHIP OF AN AIRPORT SITED OUTSIDE THE ADMINISTRATIVE BOUNDARY

Manchester Corporation's decision in 1934 to establish an aerodrome on a 664 acre site of land to the south of Manchester involved encroachment into the neighbouring county of Cheshire. As shown in Figure 4.1 only 24 acres of the site fell within the boundaries of the City of Manchester, whilst the remaining 640 acres formed part of the parishes of Ringway and Styal in the rural district of Bucklow. The parish of Ringway was a rural area having only 602 people inhabiting its 2,436 acres and the parish of Styal constituted a "scattered hamlet" of farms with a population of 1,336. (1) It can be argued that the Ringway site represented a reasonable choice in environmental terms, being situated in an area of limited population. However, the rural community has regarded airport development as an intrusion addressing the needs of the business and commercial interests of a large city, and not their own. Following the public notice announcing Manchester Corporation's intention to construct an airport, on 4 August 1934, the Cheshire County Council received communications from local authorities expressing their disapproval of the proposals. This action had been delayed due to a lack of prior knowledge. Preceding the public notice, virtually no publicity had been given to the possibility of Ringway as a site for an aerodrome. As late as May 1934, the Press had carried reports of inspections around the areas of Audenshaw and Bury and it was suggested that,

"Extraordinary secrecy has been exercised by the Airport Committee to prevent their plans for Ringway being made public. Even the farmers concerned have not been officially informed of the reasons for surveys on their land, and the staff undertaking the work have been pledged to silence. Airport Committee members have visited the site and walked across the land without informing the tenants of their identity. Officials have stated that the work was being undertaken "for a firm in London" (2)

Further references were made to the "cavalier" treatment of landowners and tenants. Geoffrey Raingill whose 200 acre farm formed part of the proposed airport site said that, in his absence, men had visited the farm and "measured up" buildings. He was quoted in the

Evening Chronicle of 28 July 1934:

"I heard about it from an employee when I returned. Without asking anyone's consent, the surveyors entered my farmyard and proceeded to take a number of measurements. Then they went round the house, measuring the walls and so forth. To do this they had to pass through the garden. It makes one feel that if the door were left unfastened they would go inside." (3)

Colonel E W Grey who owned land adjoining the Ringway site complained that,

"This plan has been carried through in a disgraceful manner. Everything has been done in secret and Manchester seems to think it can force it through like a Hitler without any regard for those who will be affected and even without consulting them." (4)

On 8 August the Parliamentary Committee of the Cheshire County Council decided to lodge formal notice of objection with the Secretary of State for Air and to appoint a joint committee comprising eight members of the County and one member each from the principal district authorities opposing the scheme. (5)

In support of the Council's position the North Cheshire Regional Planning Committee, the Urban District Councils of Alderley Edge, Hale, Wilmslow, Bowdon, Sale and Handforth, the Rural District Council of Bucklow and the Ringway Parish Council all lodged their own objections. (6)

A fundamental ground for objection was that the land was not suitable for the purpose of an aerodrome, being in a part of Cheshire which was developing rapidly as a high class residential district. The rural district of Bucklow had specifically zoned the area for residential development and this had encouraged the owners of property to erect houses of very high rateable value. It was argued that the use of the land as an aerodrome would constitute serious nuisance and annoyance to those already residing in the vicinity. In the long term, districts covering a much wider area would be affected, with development of the aerodrome sterilising more land and further depreciating the value of amenities in all districts within close proximity to Ringway. (7)

Opponents also questioned the validity of proceeding under the Public Works Facilities Act of 1930 which had granted powers to local authorities to execute works which would contribute to the relief of unemployment. Circular 1141 of the Ministry of Health issued on 22 August 1930 was cited in suggesting,

" That it was not the intention of the Government that Schemes under the Act should be promoted for carrying out works of wide public controversy for which a Bill would be more appropriate"

The Ringway Scheme was regarded as a public controversy but opponents went further in suggesting that whilst providing temporary employment, the proposed works - involving the conversion of a large area of highly cultivated agricultural land - would in the long term displace a large number of agricultural workers. (8)

It was argued that if the commercial needs of Manchester and South Lancashire required an aerodrome, it should be situated within the district it served. The Manchester Corporation had recently acquired 5,000 acres of Cheshire including the Wythenshawe estate, in close proximity to the Ringway site and it was felt that 600 acres of the land could easily have been reserved for this purpose. The importance of "local" government was emphasised and it was argued that the wishes of the inhabitants of a district should be carried into effect by their duly elected representatives and not through the elected representatives of an external community. (9)

A public inquiry into the Ringway Scheme was held in October 1934 where 51 objectors were represented. Landowners, farmers and local councils immediately affected by the proposals were supported by influential landowners occupying outlying areas, including Lord Egerton of Tatton and Sir Humphrey de Trafford. At the public inquiry the Cheshire County Council elaborated upon its contention that property values would be depreciated, thereby depriving the County of an area of potentially considerable rateable value which under the Town Planning Scheme had been zoned at eight houses per acre. Extension of the Barton aerodrome to encompass 216 acres of land was put forward as an economic alternative as land in the vicinity of this airport would be likely to appreciate in value. The report of Messrs Norman, Muntz and Dawbarn which had estimated that a sum of £104,000 would be involved in the extension of the Barton aerodrome to an area of 133 acres was questioned. It was suggested that the aerodrome could be modified to meet the requirements of the Corporation at a cost not exceeding £50,000. (10)

Sir Alan Cobham, who had been notable in promoting aviation in earlier years, supported the contention that the only real objection which could be levelled at the Barton Airport was that it was not large

enough to cater for the aeroplanes of the future:

"Anybody who has flown round Manchester and got mixed up with the chimneys must have been a very bad pilot. . . years ago . . . at all the aerodrome sites there was a high power cable across them. We discussed five or six years ago what we regarded as dangerous was passed with impunity. The fact remains you will not be able to build an aerodrome near a town without being in close proximity to cables, either near an aerodrome or in the line of flight . . . That is why Chat Moss, a wonderful open area, should be preserved as a coming down area." (11)

The case for the Corporation was largely based upon population size and the extent of commercial activity in the area which required that,

". . . a city in which no less than £21 million was spent on the Ship Canal in bringing direct access to the sea must have the most up to date facilities. . ." (12)

Whilst the preceding considerations directly related to the issue as to whether or not the Corporation should establish a second airport in the environs of the City, underlying objections was the fundamental dissatisfaction with the City's attempt to plant an outpost further into the County - a factor which could fundamentally affect the future control of land. Prior to the public hearing local press reports had already suggested the strength of feeling on this issue. Mr A B Ireland of the Bucklow Rural District Council had been identified as one of the major opponents of the scheme who referred to "Manchester's efforts to spoil a rich Cheshire district", claiming that ever since the acquisition of Wythenshawe the Manchester Corporation "driven by greed" had tried to penetrate farther into the shire. Ireland demanded that "Cheshire must oppose the invasion of Lancashire" (13) Reference had also been made to the County Parliamentary Committee's concern about Manchester's attitude towards Cheshire, recalling the circumstances of Manchester's "successful fight for Wythenshawe and district" (14). Mr E C Pearson appearing at the public inquiry for the Styal Parish Council suggested that the acquisition of 664 acres of land for the aerodrome could be purely a "jumping off ground". The Corporation had maintained at the inquiry that in the event of the landing area proving to be too large, expenditure incurred in the acquisition of land would not be wasted as any surplus to airport requirements could be used for any purpose not inconsistent with airport operation. This was interpreted as a potential threat to the future control of land. If the Corporation were allowed to purchase the site, they might be tempted,

"to pluck still further at the forbidden fruit, namely the incorporation of this area into the City of Manchester . . . a prospect highly resented by the inhabitants of Styal" (15)

The Town Clerk, acting for the Manchester Corporation at the time, maintained that the issue was an irrelevant one. Whilst,

"questions of incorporation between Counties and big cities do create feeling . . . there are people who would place an entirely wrong interpretation on the position of the Corporation."

It was asserted that the question was "not in the mind of the Corporation anyway." (16)

Consideration as to whether or not Manchester should have an airport in Cheshire thus became tied to the wider issue of the impingement of expanding metropolital areas on the surrounding countryside. The boundary of the City of Manchester had been extended progressively throughout the early twentieth century. Table 4.2 which details extensions between 1885 and 1931 reveals that in many instances, incorporation into the City had been at the request of the particular districts concerned or had at least been unopposed. However, the extension of the City boundary promoted in 1927 to incorporate the parishes of Baguley, Northenden and Northern Etchells for development as part of the Wythenshawe estate had been seriously opposed and defeated by Bucklow RDC in that year. The promotion of a further bill in the 1929 - 1930 Parliamentary session signalled the City's determination to expand it's boundaries and, on this occasion, the Corporation was successful despite continued opposition from the Cheshire County Council and Bucklow. (17)

Whilst the local public inquiry into the proposal of the Manchester Corporation to borrow £179,295 for the compulsory purchase of 664 acres of land lasted only eight days and in his closing remarks the Inspector intimated that he expected to report within two weeks, it was not until February 1935 that the Town Clerk received an intimation from the Air Ministry that the Secretary of State had confirmed the City of Manchester (Ringway Airport) Compulsory Purchase Order. The delay in confirmation may well have been the result of a disagreement between the Ministry of Aviation and the Ministry of Health, the latter being reluctant to upset the development of "such an excellent residential district as Ringway." (18) However, despite parliamentary support from Sir Edward Grigg, MP for Altrincham, the Air Ministry proved unwilling to reconsider it's decision and refused to publish the report of the

Inquiry. (19)

Manchester Corporation later claimed that the Cheshire opposition had failed to establish that the Ringway site could not be made into a modern airport at the cost estimated by the Corporation; that Barton could be extended in the appropriate manner and that the cost involved in the extension had been over estimated. (20)

Having been defeated at the public inquiry the strength of opposition to the City's scheme may be judged from the fact that in March 1935, the Cheshire County Council lodged an appeal in the High Court against the City of Manchester (Ringway Airport) Compulsory Purchase Order, 1934. Mr H P Greg, a Cheshire landowner and cotton magnate, joined the ranks of the appellants represented by Sir Stafford Cripps KC. In general, the case for the appellants had to rest on technicalities. The contention was that the compulsory purchase order was not within the powers of the Public Works Facilities Act 1930, for several reasons. Firstly, it was argued that the Secretary of State was biased and had no jurisdiction over the Order or any objection to it. the comparative merits of extending Barton and establishing a new aerodrome at Ringway had been the principal issue in dispute and, in this context, the Secretary of State had already considered a report of an inspection of the sites at Barton and Ringway on 25 June 1934, a fact which had not been brought in evidence to the public inquiry. Objection was raised to the fact that the inspection had been carried out without the involvement of the opponents of the Ringway site and that the Secretary of State had not kept opponents informed regarding his communications with the Corporation in respect of both the compulsory purchase order and the local inquiry. The Inspector, G Ewart Rhodes Esq, M Inst CE, was similarly criticised for a lack of communication when, as a result of the raising of the question of safety on approach, he had visited the rival sites and had been piloted on flights by the chief air witness representing the Corporation. (21)

Whilst the actions of individuals were criticised, the whole procedure was also brought into question. It was argued that the inquiry which had been held was not "public" in the spirit of the Public Works Facilities Act, 1930 because it had been held before the appointed Inspector with Wing Commander Allen AFC assisting on the technical questions relating to aviation. By reporting to the Air Council, in favour of the land proposed for purchase prior to his being

appointed adviser, Wing Commander Allen had demonstrated a bias and had effectively pre-judged the issue to which the public inquiry related. In essence then it was argued that the inquiry was in fact more of a joint inquiry rather than an inquiry by the Secretary of State alone; the Air Ministry having already pre-judged the issue, therefore, appointed an adviser who had expert knowledge but also biased opinions. (22)

The validity of having proceeded under the Public Works Facilities Act was raised, as it had been in the original inquiry. It was argued that although the primary intentions of the Act had been to relieve unemployment by simplifying the procedure for the acquisition of land by local authorities, the matter of establishing a commercial aerodrome was so controversial as to be outside the scope of the Act. Thus the Corporation should have proceeded via a Private Bill which would have ensured that the views of all interested parties would have been adequately accounted for. Counsel for the appellants raised a point of principle for the future,

" Opposition at the Inquiry was formidable and if this type of opposition is permitted to be outweighed merely because the Council of a large municipal authority has selected a site, which the Air Council consider to be best for the purpose, then there would appear to be little object in opposing any such schemes which may in future be promoted by other large municipal authorities." (23)

The High Court case prompted questions to be asked in the House of Commons about the communication which had taken place between the Air Ministry and the Corporation and about the position of the adviser to the Inquiry. However, the local authorities' appeal was dismissed by Mr Justice Branson. The contention that the Order was not within the scope of the Public Works Facilities Act failed on the grounds that despite the Air Council having expressed a tentative view in July 1934, this had not made it impossible or even unlikely that the Secretary of State could bring a judicial mind to bear upon the matters at issue. Given the procedures laid down in the Air Navigation Act 1920, and the Air Navigation (Consolidation) Order 1923, the Corporation was bound to consult the Air Council on the Ringway site and the Air Council was obliged to give a view. As regards the position of Wing Commander Allen, Mr Justice Branson ruled that even disregarding the possibility that he was not technically a member of the Tribunal, his involvement could not be questioned as the appellants had failed to make any objection to his

participation in the proceedings at any time. (24)

Basically, with defeat in the High Court, all reasonable avenues had been exhausted. At the original public inquiry, all possible evidence against the Ringway Scheme itself had been presented and the Councils of Hale and Altrincham had been reluctant to incur expense involved in the appeal to the High Court. The High Court case had represented the last resort in attempting to defeat the Manchester Corporation by questioning procedure. In the face of further expense involved in an appeal to the House of Lords, which offered little prospect of overturning past judgments, opposition began to breakdown. (25) The needs of the business and commercial interests of the City of Manchester had taken priority over those of the surrounding rural community. At the end of the day, opposition had been little more than costly and futile.

With the ruling in the High Court in favour of the Manchester Corporation, the authority was free to compulsorily purchase the 664 acres of land and construct its airport. Ownership was vested in the Corporation although complete control of development could not be achieved so long as the major part of the airport remained outside the City Boundary. Whereas in 1934 the Town Clerk had assured the local authorities involved that incorporation of the land was not an objective, the question was again raised in the 1950s when consideration had to be given to a major extension of the main runway.

In effect, although Manchester Airport existed as a single entity, it was administered by four local authorities - the Manchester Corporation, the Cheshire County Council, Wilmslow Urban District Council and Bucklow Rural District Council. This arrangement meant that administration was both complex and ambiguous. Cheshire County Council was the highway authority and as such was responsible for carrying out the diversion of the A538 necessitated by runway extension at the Corporation's expense. (26) Cheshire was also the authority responsible for planning and the 1956 County Development Plan included proposals for the North Cheshire Green Belt which was intended to prevent the further expansion of the South East Lancashire conurbation. Figure 4.2 shows the extent of Green Belt in 1961 which was the culmination of plans laid in these earlier years. It was felt desirable that a tract of rural land should be retained within reasonable distance of the conurbation to provide for the recreation

and enjoyment of it's inhabitants. The Green Belt envisaged was to run along practically the whole of the southern boundary of Wythenshawe. The outer boundary had been sited so that the Green Belt would be wide enough to prevent dormitory development on the side furthest from the conurbation. It effectively covered the whole of the Ringway area encompassing both the existing boundaries of the airport and land proposed for airport extensions. For the City Council these proposals introduced an element of uncertainty regarding future development of the Airport. (27)

The Bucklow Rural District Council held responsibility for the disposal of domestic refuse from Manchester Airport, charging the Corporation for any excessive collections. The Council was also responsible for the disposal of sewage from that part of the airport which fell within it's area. However, it had not provided a sewage disposal works for this purpose and with plans to develop new terminal buildings in the 1950s, the need for a proper drainage system became urgent. Whilst Bucklow failed to proceed quickly enough for the City in drawing up a satisfactory scheme, the City devised it's own scheme costing £19,500 with an additional annual cost of £1,000 for treating and disposing of sewage. A sewer or drain was constructed to communicate with the Eastern Intercepting Sewer of the Corporation in Manchester so as to discharge sewage from Manchester Airport to the Davyhulme Sewage Works. This private sewer was constructed by and at the expense of the Corporation Bucklow RDC, therefore, had to make annual payments to the Corporation for the cost of treating and disposal of sewage. (28) It should also be borne in mind that the Manchester City Council had to pay local rates to both Bucklow RDC and the Wilmslow UDC on airport land and buildings in either Corporation or tenant occupation which fell within their area. As new accommodation was occupied and the runway extended, the rating assessment of Manchester Airport increased. (29)

Although initially the question of whether the City boundary should be extended to encompass the 250 acres which comprised the actual airport itself or the total of 664 acres of land purchased by the Corporation in 1934 was debated, it was finally decided that 1,184 acres of land, including farmland adjoining the airport, should be incorporated. Thus the land required to carry out the proposed runway extension which also necessitated the diversion of the A538 Wilmslow to

Altrincham road would come under the control of the City, 890 acres of this land fell within the Bucklow rural district with the remainder being in Wilmslow. (30)

The principal argument for incorporation was to facilitate airport administration by bringing it under the control of one single administrative area, that being the area in which ownership was vested. The inference was that the ownership of land outside the City boundaries justified incorporation. However, incorporation was also supported on the grounds of equity. The airport was Manchester's enterprise and Manchester ratepayers had borne a heavy capital expenditure in producing it as well as heavy losses. It was argued that if extension was granted, it would not hamper or disrupt in any way the Local Government Services of any of the three authorities concerned. (31)

Whilst not raising any objection to the plans to extend the main runway at Manchester Airport, Cheshire County Council decided after discussions with the Bucklow and Wilmslow authorities to reject Manchester Corporation's proposals for incorporation. Nevertheless, the City proceeded to submit its proposals to Parliament in the 1955-56 session in Part Three of the Manchester Corporation Bill. (32) Bucklow RDC and Wilmslow UDC registered their opposition largely on financial grounds. It was estimated that the Councils would lose land of a rateable value of £18,000 and £6,813 respectively. To Bucklow this represented 12% of the total rateable value of lands in the district. (33) The Clerk of Bucklow Council, Mr C Walker, stated, "We contend that, as a rural district trying to give services to the inhabitants we must be allowed to keep rateable value brought in by developments in our area" and Councillor G R Moxon, the Chairman of Wilmslow Council maintained that, "the county districts should not be impoverished by the expanding needs of large cities and boroughs" (34)

In support of its case, the Manchester Corporation cited a number of examples where local authority boundaries had been altered to allow the local authority which owned an airport to control its development too. This evidence is reproduced as Table 4.3. It was also suggested that over a sixty year period, the area which had been lost to the Cheshire Administrative Council had been relatively small in terms of acreage, population and rateable value, indeed even after the secession of the lands at Ringway, the effect on rateable values in the County

would be minimal (see Table 4.4 a). HR Askew QC asserted that the rateable value of the airport had been created by Manchester and the petitioners had tried their hardest to stop the airport being built:

"Now it is there they want to keep it. The rateable value we have created is a sheer windfall to these local authorities. . . It has come through no effort of theirs and in the teeth of their opposition". (35)

As these broad issues were being debated municipal rivalries were trivialised in the local press. The Manchester Guardian of 17 January, 1956 alluded to the suggestion in Cheshire that one of the reasons for the Manchester Corporation wishing to incorporate Ringway within its boundaries was that the Lord Mayor could not suitably wear his chain of office when meeting important guests at the Airport since the ground did not fall within his jurisdiction. In response, the Town Clerk of the City of Manchester held that such a suggestion was "absurd", there being no reason why the Lord Mayor should not wear his chain of office there, and continued,

"I have heard it said . . . that it is rather ridiculous for distinguished visitors to be received first of all at the airport by the Lord Lieutenant of Cheshire and then at the gates by the Lord Lieutenant of Lancashire."

The House of Lords Select Committee which considered the Manchester Corporation Bill agreed with the City that much of the land in the parish of Ringway on which Manchester Airport stood should be transferred to the Manchester Corporation. However, on appeal to a House of Commons Select Committee the proposals for incorporation were rejected. (36) An article published in the Evening Chronicle entitled "Airport stymie" summed up the public reaction in the City of Manchester. Whilst accepting that big cities were all too eager to bite into the surrounding countryside, the writer maintained that this case was "a triumph for parish pump pomposity" and the decision was seen to suggest that Manchester would be handicapped at every turn in developing the airport.

Although it is clear that on both sides valid arguments had been placed for and against incorporation, it is worth considering that in reality the issue of airport incorporation continued to form only a small part of a much wider issue of the encroachment of a City on its rural surroundings. In considering the House of Commons decision, it is necessary to elaborate upon the more general problem of the housing over-spill from Manchester into Cheshire in the immediate post war

years, as this again confirms the notion that to a great degree, the rivalries over Manchester Airport were only suggestive of these more fundamental problems.

After the Second World War, the Manchester City Council decided that to meet it's housing needs, a site at Mobberley should be purchased compulsorily to build houses for about 50,000 people. However, after trial hole boring which revealed that part of the site was underlain with salt, in 1948 the Corporation revised it's proposals to include the building of a town with a population of about 25,000 people in self contained units on the modified site. The Minister of Housing and Local Government had approved this development on the specific condition that:

"Manchester should not seek to extend it's boundary to incorporate the new town as that would defeat the whole purpose of the view of a self contained entity, but if at any time the scheme for the establishment of a Manchester County Council became a possibility, then the question of Mobberley coming into such a county council would remain entirely open." (37)

By 1952, Manchester's housing deficiency stood at sites for 9,965 houses and although Cheshire County proposed the development of a new town at Congleton, the Manchester Corporation remained convinced that sooner or later there would need to be a large scale development at Mobberley and Lymm. Thus the Corporation applied for planning permission to build 10,500 houses at Mobberley and 12,000 houses at Lymm. In both areas, the Corporation intended to provide appropriate new industry, amenities and services to accommodate inhabitants. The council based it's case on the magnitude and urgency of the need for houses. It was estimated that in all 90,000 dwellings would be required to replace those unfit to live in, to provide for families with no separate home and to meet the expected increase in population. The Council wanted to build at the rate of 2,500 to 3,000 houses per year and given the scale and proposed pace of the development it was difficult to find a suitable site elsewhere. In addition, both areas were deemed well situated for satellite towns. The only solution for the Corporation was to push ahead with this development whilst at the same time carrying out slum clearance and re-development in other areas. (38)

Manchester Corporation's application for planning permission was resisted by the Lymm Urban District Council, Bucklow Rural District

Council and Cheshire County Council on the basis that very good quality agricultural land would be sacrificed and that both areas were too close to Manchester to accommodate such large scale development. The Cheshire County Council maintained that there were other areas within the County where many thousands of houses could be built to meet Manchester's needs, with less injury to agriculture and without the objection that they would ultimately result in the enlargement of an already too large city. (39)

In judging the case for the granting of planning permission for the development of Lymm and Mobberley the Minister for Housing and Local Government took the view that, given the agricultural quality of the land involved and the importance of preserving Manchester's natural green belt, the development of the area was inappropriate. Any large scale development at Mobberley would mean the extension of the City into open countryside and it was doubtful whether the situation would be attractive to industry on the scale required. The Minister maintained that probably only a dormitory suburb rather than a new town would emerge. (40) In respect of the proposals for Lymm, again the agricultural value of land became an important issue and development on open land which assisted in reducing the urban spread was once more deemed inadvisable. Thus the development proposals were rejected and the Manchester Corporation was advised to maximise the use of land within the City in the course of re-development; to build on the smaller alternative sites which had been suggested by the Counties of Cheshire, Lancashire and Derbyshire, details of which are provided in Table 4.5 and to develop more intensively on some of the sites already in view. Although it was likely to be more difficult and more time consuming to build on these smaller sites and some of the developments which would be a long way from the City would be likely to entail problems of employment and tenant selection, decentralisation was thought to be preferable to extension of the City. (41)

Clearly, the perceived needs of rural Cheshire and the City of Manchester had clashed prior to the question of the incorporation of airport land and extension of the City boundary as a result of housing over-spill had been feared for some time. Ultimately, the question of incorporation of airport land in the parish of Ringway was only resolved under the terms of Local Government re-organisation in the 1970s, although earlier reviews of the Local Government structure

tacitly accepted incorporation in principle. For example, the Local Government Commission for England had commenced a review of the organisation of Local Government in the South East Lancashire Special Review Area in 1962. The authorities comprising this area are listed in Appendix 4.1. Reporting in 1965, the Local Government Commission accepted the contention of the Corporation that the airport should be brought into the City. However, its proposals were not implemented due to changes in Government. (42) Subsequently, the Royal Commission on Local Government (Redcliffe-Maud) reporting in 1969 offered an opportunity to resolve the anomalous position of the airport. The Commission dealt with the main structure of English Local Government which had remained virtually unchanged since the 1888 and 1894 Acts of Parliament which established county councils, county boroughs and county district councils (both rural and urban). The Commission identified the need for a major rationalisation of Local Government to reduce the number of units with executive responsibility and to end the anachronistic division between town and country recognising the requirements of planning and communications in a modern age. The report proposed a new administrative map of England outside Greater London divided into 61 new Local Government areas.

In 58 a single authority was to be responsible for all services. In the other three metropolitan areas of Birmingham, Liverpool and Manchester, responsibility was to be divided between a metropolitan authority whose key functions would be planning, transportation and major development, together with police and other services and a number of metropolitan district councils whose key functions would be education, housing and local authority personal social services. The Redcliffe-Maud Commission's report thus offered the prospect that the whole of the airport area would be included in a new Manchester, Salford and District Council, although once again plans for re-organisation were shelved. (43)

The re-organisation of Local Government in 1974, which created the Greater Manchester County, did result in the incorporation of the Ringway parish into the City, as previously shown in Chapter Three. In fact, this was the only extension of the City boundary to take place at that time. The transfer of Ringway meant that about four fifths of airport lands including the main runway, terminal building, car parks, etc, had finally been ceded to City control. (44) The small proportion

of land which remained outside the City's jurisdiction was in Styal, formerly part of the Wilmslow UDC passing to the Macclesfield Borough on re-organisation. Wilmslow had opposed the boundary change partly for financial reasons and planning considerations although by 1974, the additional factor of noise from the airport had entered into the argument. It was felt that given Wilmslow's close proximity to the airport aircraft, noise caused injury to amenities and that almost by way of compensation the Wilmslow district or its successor should retain what rateable income they received from certain hereditaments within the airport. Similarly, it was suggested that in the interests of local residents, it was essential that the authority should retain the control of land in order to give due recognition to the views of the residents in the area. (45)

Clearly, the siting of a local authority airport outside the boundaries of the authority in which ownership was vested meant that the question of development of airport facilities for Manchester became enmeshed in the municipal rivalries engendered by the spread of large cities into their rural surroundings. Although this could have had a negative impact on development obscuring the central argument, it is suggested that, on balance, ownership by a large city authority proved decisive in defeating the early opposition of those local authorities which perceived themselves as bearing the costs of development in the loss of amenity.

4.3 THE POSITIVE ROLE OF LOCAL INTEREST GROUPS

The development of airport facilities in Manchester has been supported by local institutions, particularly the Lancashire Aero Club and the Manchester Chamber of Commerce. The former was established in 1922 initially constructing and then flying gliders. It was the first of the recognised Light Plane Clubs to commence flying and in order to promote public interest in aviation became involved in the organisation of flying meetings both at home and in other parts of the country. (46) John F Leeming, the President of the Club, became the leading protagonist of an airport in Manchester. In 1926 he wrote to the Manchester Guardian advocating the establishment of an aerodrome in the area, suggesting Brooklands as a possible site along with a small parish known as Ringway, just to the south of Wythenshawe. (47) Leeming also published a pamphlet stating his case for supporting civil

aviation in which he maintained that consideration had to be given to trade and other relations with a far-flung empire which required transport over long distances. It was argued that Britain could assume in the air, as on the sea, the role of "carriers to the world".

With specific regard to Manchester's role within the air network, Leeming envisaged an aerodrome whose primary function would be to link the City with other parts of the country. Leeming suggested that several hours could be saved for example, in the transportation of American mails by the introduction of a Manchester to Southampton night service and that Manchester could form a junction connecting Newcastle, Edinburgh and Glasgow airlines with Hull, London and Plymouth air services. An air service to London would link Manchester with such diverse trade centres as Buenos Aires, Constantinople, Moscow, Teheran, Cairo, Baghdad, Basra and, eventually, India and Australia. Business with continental cities was expected to benefit from a direct aerial connection to Croydon as businessmen could leave Manchester in the morning and be in Berlin or Prague that night. Leeming speculated that in the early nineteenth century businessmen being accustomed to goods taking five days to reach London had probably not immediately realised the benefit to trade of a railway journey of just a few hours, but supply had created it's own demand and the same would be true of an aerodrome in Manchester. (48)

In pursuit of the objective of encouraging aerial transport in Manchester, the Lancashire Aero Club organised a luncheon on 27 January, 1928 at which consideration was given to the possibility of an airport for Manchester in the near future. This event brought together the interests of the Manchester Corporation and the Manchester Chamber of Commerce. Mr W E Thompson, the President of the Chamber, presented the views of that institution stating that although four years earlier the Chamber had concluded that there was little to be gained given the limited size of the country, in the interim attitudes had changed dramatically and proposals for the development of the air facilities to link Manchester directly with the Continent had gained support. At the same venue, Alderman William Davy pledged the support of the City Council for the building of an aerodrome. So the Lancashire Aero Club had been instrumental in achieving for the first time the official approval of these two major decision making bodies to an aerodrome scheme. (49) In the following month, a public meeting was held at

Houldsworth Hall, Deansgate, at which a resolution was proposed by John Leeming and seconded by H Fildes, ex MP for Stockport. The resolution read:

"That this Meeting calls on the Municipal Authorities of Manchester to at once take steps to obtain an Airport for the City, and to appoint a Committee, or some other vehicle to consider how best Manchester may adopt an Air Policy." (50)

This resolution was carried unanimously and, in response, the Parliamentary Sub-Committee of the City Council resolved on 14 March, 1928 to appoint a special sub-committee to confer with representatives of the appropriate Government Departments, the Chamber of Commerce and the Lancashire Aero Club "with a view to obtaining full information." (51) Within six months sufficient information had been gathered to allow the Town Clerk to organise a meeting of interested parties including the Manchester Cotton Association Limited; the Manchester Association of Importers and Exporters; the British Cotton Growing Association, the Manchester Coal Exchange, Manchester Ship Canal Company; Manchester Royal Exchange Limited; the Manchester Corn Grocery and Produce Exchange Limited; the Manchester Chamber of Commerce; the Federation of British Industries (Manchester District Branch); the Lancashire Aero Club and John Leeming. This meeting furthered the scheme by the passing of a resolution,

"That this Conference recognises the need for an aerodrome being established at Manchester, and recommends the Corporation to arrange for a suitable site being reserved for such a purpose without further delay." (52)

Having been instrumental in encouraging the City Council to invest in airport facilities for the City, John Leeming also assisted in the selection of an appropriate site although, in this respect, a difference of opinion with the Corporation emerged. The site most favoured by John Leeming was an area comprising some 115 acres situated on the Wythenshawe estate, on the south side of Northenden, in the rural district of Bucklow. As suggested in Chapter Two, the most suitable site in the opinion of the sub-committee was an area on the Chat Moss Estate owned by the Cleansing Committee where the Barton Airport was established in 1930.

The Lancashire Aero Club was unconvinced of the efficacy of the chosen site which failed to become the scheduled air service airport which had been envisaged. A representative of the Club wrote to the Manchester Guardian in October 1929 counselling caution in regard to

expenditures at Barton on the grounds that whilst commercial aviation was expanding, it was subject to limitations and disadvantages in Britain which would not be removed "until such time as aeroplanes can arrive at and depart from limited spaces, such as a flat roof, in the centre of the districts which they serve". The major concern was that should the Barton scheme prove expensive with only a small return on investment, the reaction could damage the development of aviation in the Manchester area in the long term. (53)

In effect, the Barton Airport was unsuccessful but not for the reasons postulated by the writer and when the Corporation decided that an alternative site was required at Ringway the early support of the Club, which had largely been encouraged by John Leeming, was not forthcoming. Alan Goodfellow, a prominent figure in the Club, forecast that designers would either concentrate on the highest possible degree of immunity from engine failure, thus increasing landing speeds, or that there would be a revolutionary change in design allowing take-off and descent vertically. Goodfellow maintained that if the former were the case, the congestion around cities would preclude the required development at a city airport, if the latter were to transpire then airports would be required in the heart of cities. In contrast to the Club's earlier position, it was argued that the need for an additional city airport was unproven and that Manchester was not ideally positioned to act as a terminal airport because of hilly country and areas of bad visibility. (54)

In effect, the support of the Lancashire Aero Club was limited to the 1920s and owed much to the views of its President, John F Leeming. Whilst the Lancashire Aero Club had only a limited role in promoting air transport in Manchester, the local Chamber of Commerce was more supportive of the Corporation's case for air routes although again this support ebbed from time to time. The Chamber had been established in 1820 as a continuation of the Commercial Society founded in Manchester in 1794. Since that time it had extended its membership to represent a wide range of manufacturing, distributive, transport, professional and service activities. The Officers and Board of the Chamber were drawn from elected directors, the Chairman of the Standing Committees of the Board and of the Executive Committees of the various Trade Sections. (55)

In 1928, the Board of Directors of the Chamber passed a resolution

supporting the establishment of an aerodrome in future years although this support was qualified by the assertion,

"At this present moment . . . reductions in Municipal rates are of such importance to the commercial community that they could not support suggestions that the Corporation should shoulder any financial responsibility which is not of pressing urgency . . . If those interested in aviation can show that arrangements can be made to secure a Manchester aerodrome without undue additions to the City's rates, the Chamber will give it's approval and sympathy to their suggestions." (56)

Although the Chamber was ultimately to urge the necessity for the provision of facilities for speedy air travel to and from all business centres, especially on the Continent, it is clear that in the early years of development the attitude of the Chamber was lukewarm. For example, in the autumn of 1929, Northern Air Lines Limited, the company which had been commissioned by the Corporation to manage the temporary aerodrome at Wythenshawe was forced to appeal to the Chamber for business. The Company stressed that whilst in Glasgow, Edinburgh, Birmingham and Liverpool companies were regularly using their machines, not one Manchester business house had

"hired a 'plane from them in four months. Of a substantial 25,208 passengers carried by the Company between April and October only 12% had come from Manchester." (57)

City traders were urged to place a yearly contract for the use of banner advertising and air taxi services for both passengers and goods in order to secure the future of the facility at Manchester. The minimum number of hours thought to be necessary to continue the Northern Air Lines depot was 2,500 per annum. (58) However, the Chamber maintained that it could not convince it's members of the benefit of "banner flying". In the face of criticism the Chamber denied that it had ever stated that there was a need for aviation at Manchester, but only for an aerodrome for the future when a commercial need for flying services arose. Although appreciating the Company's pioneering efforts, the Chamber did not lend it's general support, and so after having considered the possibility of transferring it's headquarters to the new aerodrome at Liverpool, Northern Air Lines (Manchester) Limited was forced into liquidation in 1933. (59)

The relative lack of interest in these early years is supported by the fact that it was only in October 1938 that the Manchester Chamber formed its Air Transport Committee. In contrast, the London Chamber of Commerce had formed a civil aviation section by the early '30s bringing

together individual firms, companies and organisations involved in all aspects of aeronautics which, through the Chamber's Council, was in touch with some 60,000 firms. However, once the special committee had been set up in the Manchester Chamber a joint sub-committee was formed with the Corporation's Airport Committee to consider future policy. (60) This signalled the general acceptance of the importance of civil aviation to trade and commerce and was followed by the issue of a policy document.

The Chamber expressed the view that internal air routes had been allowed to grow in a haphazard manner - uncontrolled by any guiding policy or principle. The lack of national policy to guide the enterprise of those responsible for the maintenance of civil airports was hindering the progress of the efforts of local authorities like Manchester which had embarked upon a long term policy involving heavy financial commitments. The Chamber maintained that the importance of the Lancashire export trade to the nation demanded that Manchester should keep abreast with modern means of transport, and that if air services were provided both the need for and use of such services could develop in Manchester "to an exceptional degree". However, it was emphasised that this demand was latent and would not become apparent until the means to meet it came into existence. The Chamber thus hoped that operating companies would be able and willing to plan services which would foster the development of Manchester as an active centre for air travel. Whilst appreciating that there were financial risks involved in providing facilities in order to create demand, it was argued that the risks in air travel were less than in some other spheres of travel,

"planes cost less than ships or rail tracks and planes which prove redundant on one service can be transferred to other places." (61)

In order to promote the early and adequate development of air traffic to and from Manchester, the Air Transport Committee of the Chamber offered to work in close collaboration with the Airport Special Committee of the Manchester Corporation,

"believing that since the problem is a new one, it cannot be left for a haphazard solution to emerge in the course of time but needs planned and consistent attention especially in the early stages." (62)

Perhaps one of the most significant features of the policy document was the recognition of the need when services were provided, to

publicise them with rapidity and persistence. This was an activity in which the Chamber regarded itself as playing a positive role. Building upon the work it had already undertaken to promote the Royal Dutch Airlines first direct air link between Manchester and Amsterdam in 1938, a special committee of the Chamber had made the service widely known throughout the business community. Leading members of Manchester commerce had been invited to take short flights in KLM machines; articles on Ringway and the new service had been published in the Chamber's "Monthly Record" and supplied to the Press' leading chambers of commerce on the continent had been invited to send representatives by air to Manchester as guests of the Manchester Chamber, the civic authorities and KLM. (63)

In effect the support of the Chamber of Commerce regarding publicity was essential to the promotion of air services in these early stages largely because use could be made of it's extensive links with all manner of business interests. For example, the Handbook of the Chamber in 1939 listed 80 Trade Organisations and Associations representing individual commercial and industrial interests in the surrounding area. The Manchester Raw Cotton Association and the Joint Committee of Cotton Trade Organisations represented vast trading interests, the former importing one million bales of raw cotton through the Manchester Ship Canal in 1938 for the use of the textile industry in East Lancashire, and the latter representing the central organisation of the cotton trade which was at that time the largest manufacturing industry in the country, involving several thousand firms. The Royal Exchange in Manchester was also the centre of day-to-day operations connected with the cotton industry. In terms of their involvement in overseas trade the Timber Trades Association, the Manchester Provision Exchange and the Association of Fruit Brokers of Manchester Limited, were all prospective users of air transport - as the timber trade had close connections with the whole of Europe whilst the other two organisations had trade connections with Holland, Denmark and the Baltic countries on the one hand and the Mediterranean on the other. Although about half of the Chamber's 2,600 members were involved in the cotton trade, many others were connected with engineering - for which Manchester was the largest centre in the country - and in chemical manufacture, an industry which exported more from the Manchester district than any other area in the UK. (64)

In addition to publicising services when they came into operation, the Manchester Chamber of Commerce also supported the Manchester Corporation in presenting evidence to the Air Transport Licensing Authority. In this respect, the Chamber sought to prevent the stabilisation of the "unsatisfactory state" and to ensure that no single operating company was in a monopoly position to the detriment of the development of air transport in Manchester. When Railway Air Services Limited applied to the Authority in January 1939 for a licence to operate between London and Glasgow, the Chamber produced evidence which suggested that Manchester and the surrounding built-up area represented the largest industrial concentration in the world; export trade being the main interest of manufacturing bringing international connections which made overseas travel a necessity. It was held that increased competition in trade had made personal contact with customers "absolutely essential". The Chamber also stressed that firms overseas had an interest in visiting Manchester which, with its large population, was a great consumer of raw materials and foodstuffs. In support of a greater role for Manchester in air travel, the Chamber carried out a survey of the non-textile industries of South East Lancashire and North East Cheshire covering 6,000 firms each employing more than 20 people and the following evidence of the interest of the Chamber's members in European markets was placed before the Authority, as detailed in Appendix 4.2. It was argued that such evidence supported the contention that the concentration of business demanded frequent journeys to customers in all the large business centres on the continent. (65)

Finally, in the pre-war era the Chamber also decided to extend its activities in a number of directions. For example, direct approaches to operating companies not engaged in services to and from Manchester were made in order to attract interest. Steps were taken to secure the support of the Parliamentary Air Committee and of MPs representing local constituencies, to the Chamber's air policy. It was proposed that a roll of members of the commercial community who would be prepared to use satisfactory air services or alternatively a roll of firms whose business interests would justify the assumption that support from them could be reasonably expected be compiled. Support was given to the establishment of a central office in a prominent place in Manchester, whose sole function would be to provide information

about air travel. Finally, the Chamber resolved to support efforts to attract people to the airport by special displays and the promotion of facilities for occasional flying, by the provision of attractive catering, improved access by road and omnibus at cheap rates and by social functions. (66)

In the years immediately following the end of World War Two, when it became clear that the potential for air travel had been boosted by greater public awareness resulting from war time experience, the Chamber became more involved in attempting to influence central government departments. As early as December 1944, the Board passed a resolution stating that plans should be developed to ensure that the post-war needs of the trading community in the matter of air transport should be adequately provided for. (67) The Ministry of Civil Aviation was informed of this resolution and in order to assist the Department of Civil Aviation in its deliberations, the Chamber supplied details of Manchester's former commercial relations with the Continent.

Although no fixed priority between routes was determined because of the future possibilities of commerce were unknown and the relative rate of recovery of markets could not be foreseen, it was maintained that commercial relations with certain groups of countries justified direct overseas services. The most important customers of the region could be found in an area stretching from Holland north eastward encompassing the Scandinavian countries of Denmark, Norway, Sweden and Finland. In the past a considerable trade had taken place with Poland and it was anticipated that with Germany eliminated as a competitor this country could become a much more important market for British goods. Substantial business had also been done with customers in Lithuania, Latvia and Estonia in the past and, as far as the USSR was concerned, although it was impossible to predict what this country's future trade policy might be, it was anticipated that demand for capital goods would be considerable requiring the presence of UK expertise. Finally trade relations with Czechoslovakia, Danubia and the Balkan countries had been dominated by Germany in the inter-war period but opportunities were anticipated to allow Lancashire to re-establish and develop its trade connections in this area.

Whilst expressing no special preference for any particular service on the basis of the foregoing information, the Chamber advised that Amsterdam was probably the most important connection which should be

restored in the short term, as this would allow the Manchester business community to re-establish its trade links with Holland, Finland, Denmark, Sweden and Norway. A second group of countries were identified including Belgium, Switzerland, Italy, France and Portugal as offering potential in trade, involving relatively short distances. The non-stop routes to Paris and Brussels were also supported by the Chamber. (68)

As well as providing such information to policy makers, the Chamber of Commerce was quick to make its views known on proposals which were being drawn up for the conduct of civil air transport in the UK in the immediate post-war years. For example, it was critical of the early post-war policy which envisaged the development of facilities being dependent upon the course of air transport development, arguing that this might represent too long a delay in meeting "the most urgent needs of the industrial and commercial community of the Greater Manchester area." When central government identified the need for only three trans-oceanic airports in the country with London and Prestwick already being designated, the Chamber supported the notion that Manchester should be designated the third. (69)

As envisaged in the pre-war years, joint deputations of Chamber and Corporation representatives impressed upon the Ministry of Civil Aviation the need for greater priority being given to the needs of the City, and by the 1950s, consideration was being given to the possibility of cementing relations between the two institutions by the election of a Corporation representative to the Chamber's Air Transport Committee. Nothing concrete emerged from this suggestion because the Corporation was conscious of the need for the Chamber to remain independent and in a position to add another perspective to the Corporation's case. (70)

In subsequent years, although both the Manchester Chamber of Commerce and representatives of the Federation of British Industries were regular visitors to the airport and the Airport Developments Special Sub-Committee met with local business interests to discuss matters of mutual concern, the Airport Committee of the Corporation became increasingly wary of establishing any form of joint body. Basically, members were concerned about the possibility of any joint body pursuing or recommending a course of action which might be

"inimical or even contrary to the interests of the Committee who

alone are responsible to the City for the development, operation and management of Manchester Airport." (71)

However, evidence also suggests some concern regarding the close relationship which had been developing between the Chamber and the airline companies which had joined its ranks. In the early 1950s, the Air Transport Committee of the Chamber had excluded any body which had financial interests in the industry. However, as more operating companies joined the Chamber, it was placed under increasing pressure to admit representatives to the Air Transport Committee. Representatives of the Corporation Airport Committee expressed concern about the need to prevent the operating companies becoming too powerful and dictating policy in line with their own financial interests, rather than those of the community served. Councillor Lionel Biggs maintained that much of the good work that the Chamber had done in the past and the status which it had achieved could be impaired by operating companies taking charge of the Air Transport Committee. (72) Although there seems to be little evidence to support this contention it is clear that whilst the Corporation and the Chamber pursued similar objectives, the extent of collaboration diminished as the Airport committee became more conscious of its independent responsibilities.

Whilst the airline companies sought to influence the Chamber of Commerce, so the Corporation sought to ensure that direct relations with the airlines would be maintained by the institution of annual meetings between Corporation representatives and those of airline companies from 1952. As collaboration diminished, the Chamber of Commerce assumed a much closer relationship with its members, the airline companies, conducting surveys, on their behalf, of the air transport requirements of business firms to further the development of passenger and cargo traffic through Manchester Airport. (73) Although meetings between the Airport Developments Sub-Committee and the Air Transport Committee of the Manchester Chamber of Commerce were encouraged in the late 1960s, it was stressed that such meetings should be for consultation only and the deliberations of the special sub-committee in this respect were strictly constrained. For example, the committee had no power to act and had to report back to the full Airport Committee after each meeting regarding matters discussed. (74)

Essentially then, whilst the Chamber of Commerce demonstrated a reluctance to take any positive action to support airport development

in Manchester during the 1920s and 1930s because its overriding concern was to minimise the rate burden, the role of airport "booster group" was largely taken up by the Lancashire Aero Club. However, the record suggests that the Club prevaricated when faced with the uncertainty which pervaded likely future requirements. In later years, the Chamber of Commerce assumed greater responsibilities as it became clear that airport operation could be a viable proposition for the City. An era of collaboration with the Corporation was ushered in in the immediate post-war years but this eventually gave way as the Airport Committee of the Corporation became more wary of the possible motivations of the Chamber and became more jealous of its independent responsibilities as aerodrome owner.

4.4 LOCAL OPPOSITION

As suggested in Chapter Two, the 1950s and 1960s were a period characterised by the planning and execution of runway development at Manchester Airport to cope with the new generation of jets such as the Boeing 707. The use of larger jet aircraft and the attendant increase in aircraft noise was to bring the aerodrome owner into conflict with its surrounding environs. Individual members of the local community came to feel that the development of civil aviation was taking place at their cost. They found that they had little recourse to successful litigation and could at best hope to exercise influence through interest groups with the ultimate objective of curtailing airport development.

The main instrument runway at Manchester, which in the early 1950s was 5,900 feet long, was insufficient to meet the needs of certain aircraft operating out of the airport. Some operators would only use the airport under the most favourable weather conditions and heavy aircraft operating under a weight penalty on trans-Atlantic routes had to stop at Prestwick or Shannon to take on board sufficient fuel for the East-West crossing of the Atlantic. In September 1955, BOAC's proposed withdrawal of services from Manchester created the urgent need to extend the main runway as soon as possible. (75) Initial investigation revealed the need for an overall field length of 8,100 feet with 7,000 feet of paved surface, 900 feet of prepared stopway at the north east end, and 200 feet of stopway at the south westerly corner of the runway. Basically, the most important factor to consider

was which end to place the 1,100 feet of runway extension in order to cause the minimum disruption. (76)

From the administrative point of view, extension to the north east involved land which fell within the Manchester Corporation's administrative area, therefore, planning permission might have been facilitated as under the Town and Country Planning (Development by Local Planning Authorities) Regulations of 1951 an authority did not require planning permission to carry out development within its own area of jurisdiction. However, the land involved was not owned by the Corporation and the compulsory purchase would probably have called forth opposition from powerful business interests. Extension at the north easterly end of the main runway would have almost undoubtedly increased the incidence of noise, as aeroplanes taking off would have passed lower over the Heald Green, Cheadle, Gatley and Shadow Moss areas. (77)

Experience with the runway as it existed was sufficient to suggest the likelihood of stiff opposition. A row of houses was sited only 800 yards away from the north easterly threshold of the existing 5,900 feet runway; tenants living in the area and representatives of the Renold Chains company nearby had already lodged complaints about the intrusion of aircraft noise. (78) Ferranti Limited, who had research and development laboratories and factories employing more than 1,100 people in close proximity to the north eastern boundary of the airport, also made its views on the issue known to the City. The Company had well advanced proposals for the large scale development of a site adjoining its existing laboratories, a development which was estimated to involve a cost of £3.4 million and to employ more than 4,000 people. It was suggested that if the north easterly end of the runway was extended, despite the installation of sound proofing, noise levels would make working conditions intolerable. (79) Extension of the main runway to the south west could be accommodated on land already owned by the Corporation. Although planning permission had to be sought from the Cheshire County Council, this authority's willingness to carry out the road diversion necessitated by a south westerly extension, suggested that it would be unlikely to lodge any objection against the Corporation's plans. (80)

The Corporation opted for the scheme involving the placing of 1,100 feet of paved surface on the south westerly end of the main runway, and

the diversion of the A538. Work proceeded initially on the land owned by the Corporation but as the works progressed, it was found that the proposed development was insufficient to comply with ICAO requirements for Class "B" aerodromes. (81) Firstly the runway extension itself needed to be enclosed in a strip 1,000 feet wide as shown in Figure 4.3 (1955); at the south west end a run up area and a length of taxiway associated with the extended runway and proposed terminal building also had to be constructed as shown in Figure 4.3 (1955). In order to acquire the land necessary to complete the works, two compulsory purchase orders had to be made. Compulsory Purchase Order Number One, which was confirmed in January 1958, provided for the acquisition of 26.67 acres of land at the north east end to provide for the stopway, clearway and strip. The planning proposals were publically advertised to allow objections to be lodged, but none were forthcoming. (82)

Compulsory Purchase Order Number Two, made in 1957, related to 42.13 acres of mainly agricultural land, situated in the Parish of Ringway, required to allow for the strip containing the runway extension, the run up area and taxiway. Planning permission for the development was granted by Cheshire County Council in March 1957, however, a public enquiry had to be held as two of the six owners of land involved raised objections. (83)

Objections were lodged by J and A Jackson Limited, a firm which supplied bricks to the area. In 1934 the company had sought land in the district for establishing a brickworks as clay supplies on other sites had been exhausted and the development of housing at Wythenshawe had limited opportunities for clay extraction. In 1948, Oversley Ford brickworks was acquired, an already well established concern, which did not involve planning permission. At the same time, two local farms were purchased with the long term intention of clay extraction, although they continued in the interim to be used for agricultural purposes. Jacksons maintained that the land and premises proposed for acquisition were not required for airport purposes and formed an integral part of the business of brick manufacture carried on by the company at Oversley Ford; that the land purchase would deprive the company of the means of access to and from adjoining works; and finally that land owned by the Company which was not the subject of the Compulsory Purchase Order, but formed part of Yew Tree Farm, would be affected by the loss of farm buildings. (84)

The second objector, Joseph Adshead, was the tenant of Lower Mainwood Farm, again owned by Jacksons. His primary occupation was sand merchant, delivering mostly in the Wythenshawe area from a sandpit located in Macclesfield. It was argued that the premises were of great importance to the business as it was becoming increasingly difficult to find accommodation because of the requirements of green belt policy and the expansion of residential areas. Mr R H Mais, Barrister at Law, representing Mr Adshead, referred to the Corporation's objective of maintaining the second airport in the country,

"But this wish of theirs for aggrandisement ought not to prevail against private individuals, who should be protected by the Minister against the ambition of a powerful Corporation." (85)

In putting its case, the Manchester Corporation concentrated on the potential of Manchester Airport and the need for its extension. The Deputy Town Clerk, C A Marsh, maintained that the only question was whether it was reasonably necessary in the public interest to confirm the CPO. The major consideration was that the airport, as it existed, was inadequate and, therefore, the Corporation had to acquire land in order to ensure freedom from transient obstructions, such as combine harvesters or haystacks. (86)

In appraising the case, A N C Shelley, Barrister at Law, summed up the main arguments which centred on why private persons should be made to suffer to satisfy the needs of an international convention which determined the requirements for a Class "B" certificate to be awarded to an airport. If compliance with the international convention at such a cost was a condition of the future development of Manchester Airport then the airport should not be developed further. In addition, the Minister should not acquiesce in depriving persons of their homes and businesses merely to satisfy the ambition of a powerful corporation. This final contention was ruled out of order, as putting the matter in the wrong perspective. The situation would have been exactly the same if the airport was in private ownership and it was suggested that what was at stake was not the ambition of the airport owners but the requirements of a commercial community in the twentieth century. The fact that Ringway was already the second airport in the country demonstrated that international trading called for the existence of a major airport in the North of England. Aircraft were projected to grow larger and more powerful and, in view of this, the extension of the

airport was incontestible. The south westerly proposal offered a favourable contour and very few buildings, whilst extension to the north east would have required the acquisition of more land to overcome the effect of the contour and the destruction of ten times as many buildings. Taking all of these factors into account, the CPO was, therefore, confirmed. (87)

Having acquired the land needed for the strip, run up area and taxiway and completed the 1,100 feet extension of the paved area of the runway by the middle of 1958, the problem of how to deal with the A538 which traversed the area, still remained outstanding. As suggested, to accommodate the runway extension to the south west, a diversion of the A538 had originally been proposed, as depicted in Figure 4.3 (1955). However, BOAC had, in the interim, made known their intention to seek the consent of the Minister of Transport and Civil Aviation to operate Boeing 707 aircraft rather than "Britannias" on their trans-Atlantic services from Manchester Airport. Other international airlines had also announced plans to employ the larger 707s or Douglas DC8 aircraft on the highly competitive North Atlantic routes from 1960. (88)

As these aircraft, at the time, were still at the experimental stage of development, the length of the runway which they required was not yet known, but it was mooted that they could need runways longer than the maximum field length of 8,900 feet which could be attained at Manchester, assuming road diversion. In effect, if the A538 was to be diverted, as originally proposed, the airport would have been boxed in at the south west end incapable of extension in the future. (89) Revised proposals were, therefore, called for. Initially the Airport Committee had considered an immediate diversion of the road into a tunnel, as shown in Figure 4.3 (1956), under the main runway extension and this proposal had brought support from local groups. In particular, the Cheshire Federation of Ratepayers and Kindred Associations expressed the view that the future of Manchester Airport as a major world air terminal would be very seriously jeopardised if runways were not extended and provisions made for future additional extension. The Federation suggested that the diversion of the A538 by way of a wide sweeping loop westerly towards the River Bollin would entail roadworks of expensive proportions and the diversion of the River Bollin over a considerable stretch of its present course. The major factor to be considered, as far as the Federation was concerned,

was the need to extend the runway at Manchester Airport to accommodate larger aircraft with the minimum of delay. The solution proposed was that the A538 should continue on its existing course until reasonably short of the airport at the Hale Barns approach and then be depressed and finally sunk to go under that part of the airport which it traversed. (90)

Although the construction of a tunnel represented a viable long term solution in view of the uncertainty at the time regarding the performance and requirements of jet aircraft, it was decided that as a temporary expedient, the highway from Altrincham should be closed where it met the taxiway from the runway extension. The road was then to go onto the taxiway following it until it could rejoin the old road at the end of the extension, as shown in Figure 4.3 (1956). Police controls were to be established at each side, and traffic held up when aircraft were landing or taking off. (91)

At a public inquiry into the proposed road closure order held in 1958, objections made by the Cheshire County and Wilmslow District Councils were purely conditional; Wilmslow Urban District Council had favoured a permanent alternative road not affected by landings or take-offs, but was satisfied that the proposals could work as a temporary expedient. Cheshire sought guarantees that if the road closure was implemented it should be subject to rigid safety measures for road users and air traffic alike. The only fundamental opposition to proposals came from individuals who felt that they would be adversely affected by the proposals. Owner occupiers of Higher Mainwood Farm argued that the proposals would make the farm an uneconomic unit and that there would be no access to farm buildings or the farmhouse although they were prepared to negotiate with the Corporation for the purchase of their farm. The Corporation again clashed with J and A Jackson Limited because the boundaries of land owned by the firm fronted, in part, onto the lengths of the highway concerned. The company argued that the stopping up of the A538 would deprive it of access and that hardship and loss would be inflicted on the company unless an alternative route could be found. However, once again the company was defeated by the Corporation's argument that the temporary roadway across the run-up area might cause some inconvenience, but would not materially affect the business. (92)

It seems then that the development of Manchester Airport in the

1950s excited relatively little public opposition with objections to development tending to be restricted to those who felt that airport development was threatening their livelihoods. However, the next decade of development was accompanied by fierce opposition emanating from a much wider base of representation - including local interest groups and local authorities who perceived the airport making unjustifiable encroachments on the surrounding area. The increasing use of large jet aircraft at Manchester and the drawing up of provisional plans for development, provoked a growing public awareness of the potential conflict which existed between airport owners and the community.

By the end of 1960, the Airport Committee of the Manchester City Council had become concerned that the remunerative trans-Atlantic traffic, which provided about 50% of the airport's income from landing fees, could be lost if airlines sought to withdraw their services because of the need for large jet aircraft to operate under a weight penalty. Initially extension of the main runway to 10,500 feet was considered as a means of surmounting this difficulty. The extension could again be accommodated wholly to the south west projecting into the Bollin Valley, culverting a section of the river, filling in the valley and placing the Altrincham - Wilmslow road into a tunnel under the runway extension. Alternatively, the runway could be extended at each end providing 1,500 feet at the south west end and 2,000 feet at the north eastern end. (93) Extension to the north east would have brought the threshold of the runway to within 600 feet of Ringway Road, the clearances required would have necessitated the diversion and partial closure of the road and 206 dwellings, a school and the Airport Hotel would have had to be demolished. (94) The Corporation was reluctant to demolish property within its area and did not wish to bring the runway much nearer to homes, including those on the fringe of the Wythenshawe housing estate. Again extension in a south westerly direction offered the advantage that it would allow for future runway extensions and so on 1 February 1961, the City Council gave the go-ahead for a south westerly extension of the main runway at a cost of £3½ million. (95)

Although these original plans for development were shelved in the interests of economy, they had already aroused strong public feeling. When plans were modified to provide an extension to 9,000 feet in a

south westerly direction as shown in Figure 4.3 (1964), they were viewed with suspicion and engendered opposition from local authorities and interest groups as well as private individuals. Much concern was voiced regarding the future intentions of the Corporation in respect of airport development. Bowdon UDC stressed that if the proposal to extend to 9,000 feet came to fruition, this could lead to further extension over the River Bollin. (96) Hale UDC similarly expressed the view that it was not convinced that the Corporation had abandoned the desire to extend over the River and regarded proposals to extend to 9,000 feet as "only the first bite" to be followed and used as justification for further extension across the valley. The original proposals for an extension to 10,500 feet coupled with the planning application to extend to 9,000 feet were described as a "psychological trap" being an example of the "technique of demanding the whole cake in order to make a demand for half the cake seem reasonable". The Council did not consider the current application to be Manchester's "last territorial demand" for runway extension, and appealed to the Cheshire County Council not to grant planning permission.

"It is the opinion of the Hale UDC that the Cheshire County Council has a unique opportunity to strike a blow for peace and quiet and the rights of the individual by refusing the application; if this opportunity is not taken it will be lost forever and will result in an unjustifiable risk of the erosion of the amenities and viability of the area of Hale UDC." (97)

In essence, the plea made by the Hale UDC to Cheshire reflected the ultimate concern regarding the runway extension which was the likely effect of the increase in aircraft noise. The Council expected increased noise nuisance, especially in the eastern part of the district, the southern half of which contained some of the most valuable modern properties developed in the post-war era. It was feared that the mere reputation for excessive aircraft noise in the area would reduce property values and so cause a substantial reduction in rateable values. (98)

The Clerk of the Bowdon UDC expressed similar views, maintaining that the extension of the runway would in itself indicate an increase in the operation of large jet aircraft which could mean an increase in aircraft noise over a wide area likely to include the district of Bowdon. Once the longer runway was available its use could grow far beyond that originally envisaged, notwithstanding any possible

undertakings to keep noise within acceptable limits. (99) Finally, the UDCs of Knutsford and Wilmslow also made their concern about the possibility of increased noise nuisance from heavier loads carried by aircraft known to officers of the Cheshire County Council. Wilmslow in fact urged that there should be no further extensions to runways at Manchester Airport and suggested that the County Council should recommend the use of Burtonwood as an international airport instead of Ringway. (100)

The position of Cheshire County Council regarding the proposals for runway extension was somewhat ambivalent which may have reflected a conflict of interest between supporting the views of its constituent districts, whilst taking the wider view of what would be in the best interests of the County as a whole. An article in the Evening Chronicle of 14 March 1962 quoted a Cheshire County Councillor, Lieutenant-Commander Bruce Butcher thus,

"We all know Manchester's ambition. They would probably take over all Cheshire if they got the chance. . . We don't want to appear a batch of red flag wavers stopping progress. But we must do something about the increasing noise. . . No doubt the things will be taking off vertically and flying backwards within the next ten years - but we want to curb the noise menace now."

However, the Guardian of 31 July 1964, referred to Lieutenant-Commander Butcher telling members of the Cheshire County Council that the North West badly needed the extension of Manchester Aiport if it was going to keep in the forefront of air traffic and air terminals, adding that no objection should be raised as long as the Corporation provided sufficient landscaping protection around the Bollin Valley.

Although local councils mounted stiff opposition to proposals, public awareness was also heightened by the activities of interest groups, particularly ratepayers' associations. As early as April 1960, the Ratepayers' Associations of Heald Green and Hale Barns and the Federation of Manchester Ratepayers' Associations, representing more than 30,000 ratepayers in the area, had called for a ban on the operation of Boeing 707s at Manchester Airport, alleging that Manchester's prestige among international airports had taken priority over the interests of people who would suffer noise nuisance from the aircraft. (101) Two years later, faced with the prospect of further runway extension to accommodate the needs of these aircraft, the Heald Green and Hale Barns Associations met with the Handforth Ratepayers'

Association to spearhead opposition. Other groups were also active, such as the "Cicero Circle", an independent political research society based in Cheshire, which maintained that the Manchester scheme was inspired by "a certain amount of political ambition". (102)

A new departure in organising opposition was ushered in when these interest groups joined with the local authorities to form the North East Cheshire Confederation, described as a "fight Manchester" organisation which aimed to quell any ambitions Manchester had of developing Ringway for trans-Atlantic air services. (103) The Confederation, representing a wide base of public opinion, viewed the fact that aircraft operators were expanding their jet fleets with some trepidation - drawing upon recent experience at the London Airport. It was alleged that at London excessive noise affected not only the line of flight on the extended runway, but also areas several miles away from the airport, and that an inordinate increase in noise intensity had far exceeded anything envisaged by the Wilson Committee which had investigated the problem in 1961. Despite promises and undertakings given by the airline operators and airport operators to keep noise within acceptable limits by, for example, a ban on night flights, measures had been whittled away in the interests of "economic" operation. (104)

As the runway controversy of the 1960s centred upon the problem of aircraft noise it was characterised by another issue, that of general concern for the environment. The Cheshire Conservation Trust, whilst being tolerant of the scheme in principle, registered its concern to protect a nature reserve known as the Cotterill Clough Coward Memorial Reserve. The Trust considered the actual reserve area and the two arms of wooded valley extending towards the existing Altrincham - Wilmslow Road to be an ecological unit, and they suggested that any interference with the natural movement of wildlife of any kind up or down the valley would destroy the scientific interest and essential nature of the reserve area. The Nature Conservancy also stipulated various conditions for the diversion of the A538 to ensure that the scientific interest of Cotterill Clough would not be impaired. (105)

Finally, in addition to this opposition to the extension of Manchester Airport's main runway to 9,000 feet, private individuals affected by the scheme registered their own objections. The business of J and A Jackson Limited was once more to be affected by development

proposals as all of the 142.95 acres of land covered by the City of Manchester (Airport Extension) Number Three Compulsory Purchase Order was owned either by this company or its subsidiary, Oversley Ford Brickworks Limited. The Corporation proposed to compulsorily purchase all land owned by Jacksons, even though strictly speaking this was more than that required to accommodate the runway extension. When part of Jackson's land had been acquired in 1958, the Corporation had been told that it would be preferable for any future compulsory purchase orders to include all land. (106)

Apart from the land on which the brickworks stood, 10.75 acres of the land proposed for compulsory purchase formed part of Oversley Ford Farm which comprised a total holding of 80 acres, and which was run as a mixed farm. Basically, the proposed new road to accommodate the runway extension effectively split the holding in two, leaving the majority of land on the opposite side of the new roadway to farm buildings and fixed equipment. It was alleged that the construction of the new road would also adversely affect the drainage of part of the farm. The remainder of the land which was the subject of the compulsory purchase order formed part of Cherry Tree Farm, a tenanted 87 acre holding, run in conjunction with Cherry Tree Farm, Yarwood Heath, Altrincham. Cherry Tree Farm was also run as a mixed farm carrying a milking stock of about 50 head. About half of the land affected was ploughed in rotation and the remainder was used for dairy cattle and beef cattle. Again, the main concern expressed was the effect that the Corporation's proposals would have on access. Although only the four parties mentioned were directly affected by the compulsory purchase order, it should be noted that other farms had been involved in land acquisition, although it had been possible to acquire the necessary land by agreement (107). Details of these properties are provided in Table 4.6.

Given that objections had been raised to the compulsory purchase order, it was again necessary to hold a public inquiry. At the inquiry, conducted by Mr R F F Williams for the Ministry of Housing and Local Government and the Ministry of Civil Aviation, George Carman, representing the Councils of Hale and Bowdon, whose areas lay within three and a half and four and a half miles of the runway, asked the public inquiry whether the Manchester Corporation was seeking the status symbol of an international airport and maintained that the

Corporation had failed to prove the necessity for the runway extension which was at heart a prestige project. According to Carman, the Corporation was basing its case on inference as there was no evidence to suggest that the absence of the extension would prove a serious inconvenience to trans-Atlantic passengers. He asked, "Is the Minister satisfied that this extension is really necessary? If it is, for whom is it really necessary?" On the subject of noise levels at the airport it was argued that, "There are legitimate grounds for people to fear that the noise may grow insidiously and regularly year by year." (108)

Mr P H Oswald, the Assistant Regional Officer of the Nature Conservancy, gave evidence to suggest that the main concern of this organisation was that the road diversion required by the scheme should not follow along an arm of Cotterill Clough as geological features would be obscured by the road diversion as proposed and a rare fern would be lost. (109)

Counsel for J A Jackson suggested that the compulsory purchase order could be confirmed so long as it was limited to the area of 43 acres actually required and Jacksons were left free to work the remaining land. It was argued that this was not a unreasonable request. The brickworks had been established in 1927, long before the airport and since then much rebuilding and reconstruction had taken place. In addition, it was pointed out that the Ministry of Works had requested increased brick production of 600 million bricks per annum. The working life of the area still to be excavated was estimated at 20 years, whereas if the compulsory purchase of the total 143 acres was confirmed, this would only leave a period of five years for continued excavation. (110)

Putting the case for the Corporation, Mr C A Marsh, the Deputy Town Clerk, described the proposed extension of the main runway as "reasonable", and argued that it was justified by the increasing volume of passengers on trans-Atlantic services which, during the last three years, had doubled from 25,000 to 50,000. It was held that the airport was not operating at its maximum efficiency because its main runway was too short. In respect of the claims made by Jacksons, the Corporation maintained that the loss of brick production would not constitute a "major disaster" as the objectors owned several other factories in South Lancashire and Cheshire and the output of 200 million bricks per annum for Oversley Ford was only a fraction of the total. (111)

In answering the contentions that the runway extension would increase noise levels thereby affecting property values, it was suggested that from the earliest days when extension of the main runway had become a possibility, it had been realised that the problem of noise would loom large in any local inquiry so the Airport Committee had commissioned Dr G E Bell, OBE, consultant in acoustics to examine the problem. Dr Bell gave evidence to the inquiry to the effect that given the runway scheme proposed, the landing threshold at the north east end would stay in its existing position and noise from an aircraft landing over property in the area would, therefore, not be expected to be any different from that applying at the time. Although the extension would allow turbo-jet aircraft like the Boeing 707 and DC8 to take-off carrying a maximum weight of 290,000 pounds rather than the existing 260,000 pounds, it was suggested that the lower rate of climb necessitated by increased weight would be unlikely to increase noise because the start of take-off would be at a point further away from the north easterly area. In general, Bell concluded that turbo-jet aircraft of weights up to 290,000 pounds at take-off could use the proposed extended runway with little or no change in the noise pattern around the airport, and that only over a very narrow track directly under the flight path would the noise of aircraft be slightly increased. (112)

Mr Frank Longdon, the City Estates and Valuation Officer, gave his view of the likelihood of airport development affecting property values in the area,

"While I have no doubt there are some people who would consider the noise from aircraft to be a depreciating factor, there are many others who find a great convenience in living near Manchester Airport. (113)

According to Longdon, airport workers, especially those on shift work, who could not rely on public transport, would display this preference, along with a number of executives who needed to commute between various British cities and abroad. "The demand they create does compensate for those people to whom aircraft noise is a nuisance" (114)

Apparently, where houses had been built for sale, they had been sold without difficulty and many had since been resold by their original owners easily and without any apparent drop in price. Four properties in Heald Green which had been sold since March 1960 were taken as examples and it was stated that these properties had sustained a 57.3%

increase in value over approximately five years. In contrast, an index of housing prices for December 1961 had shown that in the North West, the average increase since December 1959 had been in the region of 35 to 39% (115)

Finally, whilst arguing that airport development would not generally be harmful to the residents in its environs, the Corporation recognised that nonetheless in view of claims alleging a reduction of amenity, disturbance of privacy and despoilation of the countryside, it was clear that a conflict of interest had arisen between the residents and the City Council in seeking to provide adequate facilities for a densely populated and highly industrialised area which the airport served. However, in weighing the arguments, it was suggested that "due weight should be given to the interests of the larger number involved" (116)

At the end of the day, only limited recognition was given to the strong opposition which had been voiced at the public inquiry. Jacksons were successful in achieving a reduction to 43 acres of land to be acquired, but the only other change from the original plan was a suggestion that the line of the A538 diversion be slightly modified to reduce its effect on the Cotterill Clough nature reserve. The Housing Minister, Richard Crossman, agreed with the inquiry's Inspector that the importance of the North West in the nation's economy justified the provision of facilities for direct flights to America. Although the numbers making those flights at the time were comparatively small it was felt essential that consideration be given to the future needs of the industrial and commercial interests of the North. Also, whilst appreciating the natural concern of local people regarding the possibility of increased noise, the Minister again agreed with the conclusions of the inquiry that on the evidence submitted it was unlikely that the runway extension would give rise to any significant increase in noise from heavier jet aircraft. (117)

The granting of planning permission on 17 February 1966, naturally engendered disappointment - especially among the members of the Hale and Hale Barns Ratepayers' Association. Referring to the suggestion to reduce the effect on Cotterill Clough, a spokesman for the Association asserted,

"It would appear that wildlife has more priority than the many thousands of people who will be affected by noise. . . We don't

accept the Minister's statement of the unlikelihood of noise being increased." (118)

With the opening of the 9,000 foot runway on 7 January 1969, the Corporation had generally satisfied the needs of the airlines operating through Manchester Airport over the next decade. Although a further extension of 200 feet was added at the north easterly end in August of the same year, this was constructed in order to maximise runway utilisation. Basically, the airfield pattern which had existed after the completion of the extension to 9,000 feet had one serious deficiency in that runway access and the turning arrangements at the north east end were inadequate. 900 feet of the runway projected beyond the taxiway system and the turning pan for a Boeing 707 had been provided at the end. This meant that an airline wishing to use the full length of the runway had to backtrack 900 feet and turn through 180 degrees on the runway in the turning pan, thereby seriously restricting runway capacity at peak hours. In order to increase runway utilisation, what was required was the extension of the taxiway system to the end of the existing runway. At the north east end of the runway, development had not quite reached its limit and it was felt that a further 200 feet could be added with little difficulty. As the taxiway system required development, it was deemed prudent to extend the runway to its ultimate limit at the same time. (119)

Following a period of planning and rapid development of the main runway at Manchester Airport, projecting from the mid 1950s into the next decade, sufficient runway length had been provided for the heavier turbo-jet aircraft to operate without penalty across the Atlantic, and in the 1970s there was a lull in runway construction activity. Nevertheless the period was characterised by growing discontent on the part of local residents regarding the intrusion of aircraft noise. By the 1970s the noise problem had become more intensified with the increasing incidence of night jet movements during the summer peak period between April and October, as detailed in Table 4.7.

In essence, the problem of night jet movements reflected the dilemma which had dogged the Airport Committee for some time. A desire to maintain good relations with local residents had to be balanced against the contrary requirements of airline operators wishing to maximise aircraft utilisation and, indeed, against the financial interests of the airport itself. For example, in refusing airline and tour

operators' demands for 1,000 extra night flights in 1970, the Committee faced a potential lost revenue of £50,000 in the following year. (120) The clash of interests between airlines and the airport on the one hand and local residents on the other became something of a regular phenomenon. For example, in 1969 prior to the knowledge of estimated demand from the airlines, a provisional limit of 2,250 night jet movements had been set by the Airport Committee for April to October 1970 which had been based upon a projection from the previous year's actual movements of 2,186. However, in the face of airline operators' demands for 3,400 flights between the hours of 11.30pm and 6.00am, this was revised upwards to 2,750. (121)

Manchester Airport at the time was unique in offering a number of nightly jet freighter services to the major commercial centres of Europe and the North American continent, so providing a facility for the region's industry. (122) The Airport Committee was anxious that these air freight schedules should be interfered with as little as possible in view of the asset which they represented to trade (the value of freight handled in 1968 being £77 million) and the region's export business. It was, therefore decided that two thirds of the 2,750 night movements be allocated to freighters with the reduction being shouldered by tour operators offering Inclusive Tour holidays and charter aircraft. Holiday tour operators at Manchester estimated that this limit could potentially affect the holidays of up to 8,000 people. Clearly the demands of airline operators had been limited in the interest of residents around the airport, but still much dissatisfaction was voiced over a wide spectrum. Ronald Stenson, Secretary of the special aircraft noise committee formed by the Heald Green Ratepayers' Association, regarded the recommendation as a major blow to its 7,000 members. (123) Representatives of the Marple Ratepayers' Association described night flights as "irresponsible and anti-social activities" inflicting "misery and suffering" accusing the Airport Committee of displaying "a callous disregard for the ordinary conveniences of life". (124) Mr R A Law, Chair of the Cheadle Hulme Residents' Association in a letter to the Airport Director, Jack Jackman suggested

"If you are not satisfied at this time that disturbed sleep is a social injustice, I challenge you to advise me of your home telephone number so that residents may make their protests to you at the appropriate time next summer" (125)

At the meeting of the City Council on 3 December 1969, where the

limit was to be ratified, Councillor Brian Williams said of the Airport Committee,

"They are turning Wythenshawe, Moss Nook and Heald Green into an audible slum. There is need for more rigid procedures to ensure pilots do not exceed noise limits on take off" (126)

However, the move to stop the Airport Committee increasing the number of night flights by 500 was defeated 59 votes to 24 and the Cheadle Hulme Residents' Association interpreted the Council decision as once again showing that it was prepared to put "economics" first. (127)

Faced with the powerful lobby of the airlines, the scattered interest groups which had attempted to influence the decision-making processes in respect of Manchester Airport, began to form separate specialist organisations specifically concentrating on the airport and its impact on the community. For example, the Moss Nook Airport Action Committee was formed representing the interests of the people resident in Heald Green, Cheadle and Gatley, Styal and Wythenshawe. The Manchester Airport Joint Action Council was also formed representing a consortium of the Manchester Federation of Owner Occupiers, the Woodhouse Park Airport Action Group, the Moss Nook and District Ratepayers' Association and the Styal Village Fellowship. Such groups were active in pressing for reductions in rent and rates and the provision of sound proofing grants for those living in close proximity to the airport. (128) However, it is interesting to note that whilst there was clearly opposition to night jet flights at Manchester Airport, perceptions as to how the problem should be dealt with varied between different groups largely dependent upon whether complainants resided within the City or not. For example, the Woodhouse Park Anti-Noise Association had planned little militant action in response to the decision to increase night movements at the airport, but concentrated its efforts more upon achieving a reduction in the local rates to compensate for noise disturbance. Initially, 52 residents submitted an application to the Rates Tribunal, and by 1971 more than 1,500 householders living near Ringway had achieved reductions in rateable values set by the Inland Revenue Valuation Officer, of between 10% for houses closest to the airport and 2 to 3% for those farthest away. (129) In contrast, the Heald Green Ratepayers' Association's Noise Sub-Committee called for a "war" and a "plan of unified action", and in

their efforts were supported by the Cheadle and Gatley Council which emphasised the fact that because Ringway was "privately" owned, the Manchester Corporation alone was responsible for deciding if a noise nuisance existed, and maintained that reports on the effects of noise at the airport had been limited compared with those carried out at Heathrow, one of the largest airports operated by the British Airports Authority and thereby subject to Board of Trade noise control. (130)

As far as the Cheadle and Gatley Council is concerned the position of the Corporation had been adequately demonstrated as early as 1966 when the UDC had requested the support of the City Council in an approach to the Minister of Aviation to secure the introduction of legislation relating to the insulation of houses in the Heald Green area, similar to the provisions of the Airport Authority Act, 1965 in relation to land around Heathrow Airport. The City Council had maintained that the noise problem as it existed did not justify insulation and that it would be unreasonable to expect an airport authority to initiate action, which would involve them in considerable expense. In effect, the Manchester Corporation was under no obligation to introduce a sound proofing scheme which would involve it as owners of the airport in shouldering the expense, in contrast to the position at Heathrow where the cost of grants was met from taxation. (131)

Given the lack of information regarding noise disturbance, the Cheadle and Gatley Public Health Department published its own report on noise from aircraft using Manchester Airport in October 1969. This report showed that 35% of daytime flights measured were louder than the limit enforced at Heathrow. The report concluded that aircraft noise in the district was a serious environmental health problem and was increasing. (132) It was suggested that as the frequency of aircraft movements was a significant element in the total noise nuisance, it was certain that the problem would increase severely unless action was taken to minimise it. The report also speculated that the increasing use of B747 aircraft would increase the noise at ground level underneath the main flight path. As there seemed to be little possibility of limiting the noise nuisance to its existing level in the period before the introduction of quieter aircraft, it was recommended that the airport owner should lay down and vigorously enforce noise abatement procedures. Procedures suggested included power cut-back by aeroplanes taking off over Heald Green to produce a noise abatement

climb over the district; monitoring noise levels at the fringe of the district to ensure that they met limits not higher than those laid down at Gatwick and Heathrow; and finally the establishment and publication of minimum noise routes. (133)

Whilst locally interest groups began to form larger collective cohesive organisations, and local councils began to collect their own data on the noise problem, central government came increasingly to recognise that there was a need to set up formal structures for local consultation and this culminated in the provisions of Clause 8 of the Civil Aviation Act, 1968 which specified that aerodrome management were to:

"provide for users of the aerodrome for any local authority (or if the person managing the aerodrome is a local authority, for any other local authority) in whose area the aerodrome is situated or whose area is in the neighbourhood of the aerodrome, and for any other organisation representing the interests of persons concerned with the locality in which the aerodrome is situated, adequate facilities for consultation with respect to any matter concerning the management or administration of the aerodrome which affects their interests" (134)

In the face of the likelihood that the Board of trade would designate Manchester Airport as one of 12 aerodromes (including the local authority owned Birmingham, East Midlands, Glamorgan, Glasgow, Leeds/Bradford, Luton, Portsmouth, Shoreham, Southend and Norwich) where provisions were required for consultation with local interests, the Airport Committee decided to inform the Board of Trade in March 1969 that the Corporation would welcome designation of Manchester Airport under Section 8 of the Act. Subject to designation the Corporation had approved terms of reference and a constitution for the consultative committee at Manchester Aiport. Pending a formal Order under Section 8, a committee on informal lines and without legal status was set up. The proposed terms of reference for the Committee were wide-ranging and the committee was charged with advising the Manchester City Council of any matter which they might refer to the committee; considering any question in connection with the problems of the airport as they affected communities and persons represented on the committee; making suggestions to the Airport Director on any matter connected with the administration of the airport which could further the interests of the communities and persons represented; and, finally, to stimulate the interests of the local population in the development of the airport.

(135) The constitution of the Consultative Committee at its inception involved both airport "booster" groups and opposition groups as listed in Appendix 4.3.

Much of the effort of the Consultative Committee was devoted to devising measures to curb aircraft noise, promoting a scheme for sound proofing grants, and advising the City Council on appropriate limits on night jet flights. However, difficulties emerged regarding the role and constitution of the committee from the outset. After an initial flood of applications, the Cheshire non-county boroughs were admitted to the Committee along with the Heald Green and Long Lane Ratepayers' Association, but membership of the Moss Nook was turned down to avoid the committee becoming too large. It was argued that the Heald Green and Long Lane Ratepayers' Association could act as a channel of communication for the Moss Nook area supplementing the existing representation which was afforded via City Councillors. The refusal of membership for the Moss Nook Owner Occupiers' Association was passed to the full City Council for consideration but an amendment to the effect that membership should be granted was defeated 43 votes to 32. Ultimately, an appeal was made to the Air Minister, Goronwy Roberts, but it was pointed out that the Board of Trade was not empowered under the Civil Aviation Act to prescribe who should or should not be represented on Consultative Committees. (136)

As the work of the Committee progressed, it was increasingly clear that within certain circles it was regarded as a powerless institution. The fact that the Committee had no executive powers was a bone of contention. For example, when the decision had been taken to allow 2,700 night jet movements for the summer of 1971, the Consultative Committee had maintained that such decision was null and void by virtue of the fact that it had not been consulted on the matter. However, airport management maintained that in reality there was no statutory obligation to consult the Committee. (137) The Cheadle and Gatley Council which regarded its area as the most affected by noise charged the "watchdog" Consultative Committee with having "no teeth" in curbing noise and stopping the unrestricted growth of the airport. Elsewhere it was maintained that the Committee could be assured that if any of its proposals were deemed to be harmful or likely to hinder the "economic muscle" of the airport, they would be ignored. (138)

The Cheadle and Gatley Council in particular increasingly pursued

its objectives independently. For example, being dissatisfied with the reduction of night flights from 4,000 to 3,250 in 1973, the Council called for a total ban on summer night jet flights out of Ringway. (139) However, calls for a total ban on night jet movements at Manchester Airport had the effect of splitting the anti-noise lobby, because of the possible effects on airport employment. Councillor Keith Roberts, the Labour representative for Woodhouse Park, who had been a leading light in the movement in the past said,

"I'm against the increase in summer charter flights but I am also against any attempt to ban night jet flights at the airport (it should be remembered that) there are 3,000 people working at the airport and 1,000 of them live in Wythenshawe" (140)

The call for a ban on night jet flights also aroused the hostilities of the Trade Unions. The TGWU backed the views of Councillor Roberts, opposing the restriction of aircraft movements during the hours of darkness:

"such restrictions can have a drastic effect on the present labour force by causing serious reductions in manpower required and in the loss of traffic on a permanent basis. For example, it is estimated that approximately 750 employees are at present required to service night flights. It is known that not more than 10% of present traffic could be transferred to day time operations which would require only 50 employees to transfer from night to day work. The other 700 would be surplus to requirements, thus further increasing serious unemployment in this area." (141)

Whilst the Consultative Committee may be criticised for ineffectiveness, it is clear that to some degree the local community was successful in increasing the public awareness of the problem of aircraft noise and in influencing the City Council as airport owner to take appropriate measures to minimise its effect.

Although the report on noise compiled by the Cheadle and Gatley Public Health Department in 1969 had been disputed by the Airport Committee, nevertheless, it is likely that this publication had been instrumental in encouraging the Committee to embark upon its own noise study - with the intention of publishing minimum noise routes and applying to Parliament for powers to provide sound proofing grants. (142) McLaren, Ward and Partners had been commissioned to carry out the study and published interim conclusions in the latter part of 1970 which confirmed the major findings of the Cheadle and Gatley report. It was found that a significant number of private houses were exposed to noise which "may be regarded as unacceptable in terms of daylight

standards". The level of noise at the south east end of the Woodhouse Park Estate was deemed so great that the Consultants urged the Corporation to provide alternative accommodation or other compensation. Special attention was suggested for the Ringway Road area of Moss Nook because of the constant exposure to noise which might be detrimental to health. It was recommended that the London airports limits on noise should be applied at Manchester, and that a scheme for the sound proofing of homes similar to that operating at Heathrow be established. Finally, an automatic monitoring system was deemed to be an essential element in assisting the control of noise made by aircraft landing and taking off with night flying being increasingly restricted to quieter aircraft. (143)

Arising out of the conclusions of the report of McLaren, Ward and Partners, and under continuing pressure from the Consultative Committee, Manchester Corporation promoted a Bill in the 1970/71 session of Parliament to enable it to pay grants of up to 90% towards the cost of insulation of dwellings in the vicinity of any aerodrome or landing site under its ownership. The Bill also empowered any local authority with part of its area included in the scheme to contribute towards the costs incurred by the Corporation, a clause which was supported by the Cheshire County Council which in 1973 agreed to make a 30% contribution towards the actual cost of grants in the case of 142 properties in Wilmslow and Bucklow falling within the new Cheshire County boundary. (144)

Supplementing such measures to compensate for the effects of aircraft noise, the Planning Committee of the City Council in 1971 introduced a scheme to restrict development near the airport with control being based on a noise zones map prepared by independent consultants. All development was to be banned in areas where the NNI was over 60 which included part of Woodhouse Park, Moss Nook and Ringway Road, in the 50-60 NNI zone which included the rest of Woodhouse Park and a section of Peel Hall, only commercial developments and schools with sound proofing were to be permitted. (145) In the same year, penal measures to force pilots to adhere to laid down noise abatement procedures were considered, but it was felt that the greatest improvement would be achieved with the co-operation of pilots and airline companies so it was decided to publish a monthly noise bulletin for circulation to every airline company using the airport, allowing

comparison of achievements or otherwise between companies using the same types of aircraft equipment. The element of competition introduced succeeded in reducing the average noise levels by just under 3 PNdB by the mid 1970s and the percentage of infringements similarly reduced from 2.1% to 0.56%. By 1975 a "Quiet Jet Rebate Scheme" had been introduced offering a 20% rebate in landing fees for aircraft meeting noise certification standards and achieving reduced noise level readings at appropriate monitoring points. (146)

In addition, the introduction of Standard Instrument Departure Routes was agreed with the CAA designed to route aircraft away from the most heavily built-up areas and monitoring positions were decided on this basis. All departing jet aircraft and any others over 12,500 pounds maximum total weight (ie all airlines) had to adhere to these routes unless instructed otherwise by Air Traffic Control or required in the interests of safety to, for example, avoid a thunderstorm. (147)

By the late 1970s, the great public outcry of an earlier decade had dissipated. It is likely that the introduction of quieter aircraft and the various noise abatement measures introduced by the airport authority contributed towards this effect. Although the issue was to remain a bone of contention at future stages of airport development, opposition was not so widespread. This may have reflected a tendency towards a more general acceptance of airport development on the part of the local community and a greater awareness of the positive externalities of airport operation. However, it is argued that whilst this may be true of local authorities and other institutions in the local community, the lack of opposition from local interest groups, particularly those representing residents, was probably more reflective of the fact that development in later years was perceived as involving a lesser cost in terms of aircraft noise and generally placed greater demands on the ecology of the area.

With the increasing development of long haul routes and the expectation of growth in traffic to the Middle East, West Africa and the US interior, (destinations which were beyond the reach of direct non-stop services from Manchester Airport), runway extension again became a necessity in the late 1970s if the opportunities to expand traffic were to be grasped. Existing long haul services operated by Boeing 747 and 707 aircraft and DC10 and DC8s suffered penalties in range of between 350 and 700 nautical miles and/or in payload of

between 60 and 145 passengers and the only way of overcoming these penalties was to extend the runway by a further 800 feet. The total area covered by the development plan was 130.6 acres, 52.3% of which was in Cheshire. (148)

This proposed extension, as shown in Figure 4.3 (1982), involved much more complex considerations in terms of landscape and environmental impact than anything which had preceded it, although there is a parallel with the tentative plans for a 10,500 feet runway which had been drawn up in 1960, also involving traversing the River Bollin. It was estimated that over a two year construction period, 1.6 million tons of material would be required to cross the expanse of the Bollin. One million tons of boulder clay and marl were to be taken from a "borrowpit" and transported via internal airport roads. In the borrowpit area it was proposed that a gently sloping pasture area would be created with additional tree planting around the periphery on completion of the excavation works. The remaining 600,000 tonnes of sandstone or gritstone required was to be transported from areas in Greater Manchester such as Rossendale and Bacup. The Bollin River required diversion into an open channel in a curved sweep around the foot of the new valley embankment with the new alignment being on the lines of the river's natural flow. Although the scheme involved the loss of existing woodland, it was proposed that banks should be formed by sheet steel piles and gabions with typical vegetation forming a disguise. At the foot of the embankment, in order to give access for maintenance and emergency vehicles, a bridge was to be formed. Finally a localiser area or radar and navigational installation needed to be installed on the south western side of the river valley on agricultural land. Although potentially this area and perimeter fencing could have been a harsh intrusion into the rural scene, it was decided that its impact could be lessened by additional tree planting. (149)

The runway extension involved land to the South and South West of the airport which fell within the North Cheshire Green Belt and was included in the draft Green Belt Subject Plan for Cheshire. The Green Belt across North Cheshire had, by the late 1970s, been supplemented by a proposal in the County Structure Plan to designate the Bollin Valley an Area of Special County Value in recognition of its high landscape value, as shown in Figure 4.2 (1988). Planning policies within such areas were restrictive, that is, prohibiting any housing, industrial or

commercial development in order to safeguard the essential landscape, ecological or archaeological characteristics. (150)

Although initially declared a county matter, the Secretary of State for Environment "called in" the planning application to satisfy himself that the development proposed was acceptable - bearing in mind that it required a departure from the approved Development Plan in which the land was shown as an area where existing land would remain undisturbed. The probable effect on the North Cheshire Green Belt and the existing landscape, especially the Bollin Valley, had to be considered. The problem of site access from the A538 for contractors' vehicles also warranted consideration, along with the general environmental issues regarding noise and air pollution, the necessity for the proposal and the community benefit which was likely to accrue. (151)

In attempting to assess the likely reaction to the runway extension 98 national, regional and local organisations were advised of the planning application including Government departments and Parish Councils. As a result of the publicity, 84 letters were received by the Airport Authority, 11 supporting the development and the remaining 73 lodging objections mainly for reasons of noise and disturbance from aircraft and surface traffic. (152)

Whilst the Cheshire County Council received comments from various borough and parish councils affected by the development and from other interested parties including the Nature Conservancy Council, the Cotterill Clough Nature Reserve, the Countryside Commission, the Bollin Valley Steering Committee, the North West Water Authority, Civil Aviation Authority, the National Trust, the Council for the Protection of Rural England, the Styal Action Association and Friends of the Earth, only the latter organisation opposed the proposals in principle because with the depletion of energy resources, it was regarded unwise to encourage the expansion of air travel. (153)

As far as the more immediately affected institutions are concerned, in contrast to the views expressed in earlier years, objections were tempered by an appreciation of the airport's role in the local economy. For example, the Wilmslow UDC highlighted the fact that the Council and the City had worked in close harmony, "for the good inhabitants of the respective districts" (154)

Whilst concerned about the possibility of increased noise and expressing a desire to preserve so far as possible the amenities which

the area enjoyed, the Council also expressed a willingness not to take any action which would interfere with the status which Manchester Airport had achieved. (155) The Macclesfield Borough Council, which represented the district planning authority for all of that part of the application site which fell within the County of Cheshire, purely asked that the Airport Authority give attention to the need to minimise the effect of constructional traffic and the transporting of limestone surfacing materials, by making use of the motorway system and rail network. The only other concern expressed was that the visual impact of the extension on the surrounding area be lessened by landscaping and tree planting in the Bollin Valley, around the borrowpit and the localiser areas. (156)

From the County viewpoint, Cheshire was obviously conscious of the need to protect the environment, as suggested by the Green Belt policy which reflected the need to protect agricultural land in the County which was being lost at the rate of 2,500 acres per annum. However, the County Structure Plan also contained objectives and strategies directly relevant to the development of Manchester Airport. Broad objectives included the strengthening of the economy of Cheshire, the North West region and the nation whilst providing for the basic employment needs of Cheshire's inhabitants. The statement of employment policy in the Structure Plan made specific reference to Manchester Airport,

"One major advantage (in the promotion of employment and economic growth) is the proximity of Manchester Airport with its growing international status. It is easily accessible via the motorway network from most parts of Cheshire. It is a stimulant to employment growth over a wide area . . . Manchester Airport itself could provide an extra 3,000 to 6,000 jobs before 1986" (157)

A further broad objective of the County was the development of a comprehensive transport system to provide for increased accessibility and the efficient movement of goods. Again the transport strategy section of the Structure Plan recognised the value of Manchester Airport in the context of Cheshire's transport network,

"Cheshire does not have an airport, but relies on the services of Ringway and Speke. The strategy is to support services at these existing airports" (158)

This appreciation of the significant economic role which the airport had assumed was supported by certain local interest groups as well. As a result of tentative plans to construct a second main runway at

Manchester, the Styal Action Association had been formed in 1971. In 1973, the responsibility for representing the interest of the people of the village had passed to the Styal Action Association. Whilst the Association maintained that, in principle, Manchester Airport was badly sited in respect of urban residential development, it also accepted that the airport was a successful enterprise providing employment for a large number of people as well as services and facilities for many holiday and business travellers to and from the North West. On balance, whilst not welcoming further intrusion into the Bollin Valley, the Association did not oppose the 800 foot extension. (159)

Although on this occasion most objections to development were purely conditional, they still had to be aired at a public inquiry and, in common with past experience, the issue of aircraft noise assumed greatest prominence and was the most technically difficult area to be dealt with. The Authority again appointed McLaren, Ward and Co to produce evidence regarding the incidence of noise at the airport and their study concluded that in terms of the NNI contours there would be little change in the level of noise experienced to the north and west of the airport, whilst to the east and north east it was likely that some improvement would be registered. Similarly to the south west there would be very little change except for a minimal worsening of conditions when occasionally heavier aircraft would take off in the direction of Knutsford. (160)

In dealing with the general concern that increased air traffic itself rather than the use of heavier aircraft would increase noise levels, it was concluded that any increase in traffic would be modest as with the continued introduction of larger aircraft the number of aircraft movements would not increase in direct proportion to passengers. In essence then it was argued whilst certain communities around Knutsford, Mobberley and parts of the Stockport Borough already faced persistent noise disruption, the noise climate would not be worsened by the runway extension.

As regards the problem of potential air pollution from airport operation, this had been investigated as early as 1974 and studies suggested that the pollution generated by Manchester Airport was insignificant compared with estimates of urban pollution emissions emanating from Manchester as a whole. On this basis, the Airport Authority argued that claims in respect of increased air pollution were

unfounded. (161)

Complaints regarding the runway extension's effect on agricultural interests largely centred around the absolute loss of agricultural land which would be involved. However, the Authority again argued that in terms of total acreage available, the amount claimed by the airport was insignificant as substantiated by the fact that when consulted about the application, the Ministry of Agriculture had lodged no objection.

As far as environmental impact is concerned, the Airport Authority admitted that the proposal would initially have a detrimental effect upon the existing landscape and upon the appearance of the land designated for the localiser strip, but it was argued that these effects would be mitigated by the provision of a comprehensive landscaping scheme which in the vicinity of the end of the runway would improve vegetation cover. (162)

Finally, in respect of the potential road traffic problem created by the transport of 0.6 million tons of material to the site which implied one round trip of a twenty tonne lorry every ten minutes during the two year construction period, it was maintained that the scale of the problem depended largely upon sources. Supplies from North Manchester could be transported via the motorway network whilst supplies from Derbyshire and sites to the east and north east of Macclesfield would have to be carried via "A" roads which were already congested. (163) Set against these issues was the Airport Authority's justification for the proposal and importance of an efficient, developed airport to the economy of the region which constituted a major employer. Evidence produced at the Inquiry suggested that although the greater concentration of the airport's business catchment area fell within Greater Manchester, businessmen from Lancashire, Liverpool, Yorkshire, Birmingham, Scotland and Northern Ireland were also frequent users of the airport. Perhaps the overriding consideration was that in catering for this demand, British and overseas airlines had been reticent to commit themselves to commencing new services without a thorough investigation of their commercial viability which was being held up until completion of the runway scheme. (164) Following the hearing of the views of all interested parties, in 1980 planning permission was granted and the runway extension to 10,000 feet was completed in 1982.

Clearly, the development of Manchester Airport has met with stiff opposition from individuals and institutions within the immediate

locale. Whilst objections to development in the 1950s were largely limited to private individuals immediately affected by proposals, by the next decade fierce opposition was emanating from a wide base of representation reflecting the growing general public awareness of the potential conflict between airports and the community. Whilst from the end of the 1960s there was little activity in runway development, the increasing scale of activity with the institution of night jet movements resulted in further deterioration in community relations and fostered the formation of specialist campaign groups directing their efforts exclusively to the question of disamenity arising from airport operation. However, despite the consolidation of opposition, efforts to curtail the development process were fruitless as the needs of the regional economy and industrial/commercial interests took priority.

The institution of formal consultative arrangements may be regarded as purely a palliative to those groups who found their efforts to curtail development frustrated. However, although having no legal status, it is likely that the Consultative Committee did influence the aerodrome owner in encouraging the institution of measures to mitigate the effects of aircraft noise.

The very establishment of formal consultative procedures, and the introduction of quieter jets, etc, and noise abatement measures, may have helped to quell opposition. In addition, a greater awareness of the positive externalities of airport operation may have effected a change in community attitude by the 1980s. By this time airport operation had probably transformed what had been in the past a predominantly rural area into one where industrial and commercial interests held sway. Thus objectives which had been or overriding significance in the past, such as the protection of agricultural interests, assumed a secondary importance to the stimulation of economic growth. However, it is argued that the major contributory factor accounting for the lack of opposition to more recent development has been the perception that such development involved minimal costs to the community in terms of aircraft noise.

4.5 CONCLUSIONS

The siting of a local authority airport outside the boundaries of the authority in which ownership was vested meant that the question of airport development was immediately associated with the broader issues

relating to the general spread of metropolitan areas into the surrounding community. The rural community surrounding Manchester Airport regarded development as an additional intrusion into their domain as increasingly rural areas had already been transformed by other demands from the urban area such as housing over-spill. Early records suggest that the Manchester Corporation was cognisant of the likely reaction to proposals for an airport sited in Cheshire in that consultation was limited and initial investigations were carried out in a covert manner. Although the siting of Manchester's airport outside the city boundaries could have been a negative factor in development, it is argued that on balance ownership by a large municipal authority was decisive in defeating the early opposition of individuals and institutions which regarded themselves as bearing the costs of development in terms of loss of amenity. Essentially, the opposition levelled against the Ringway proposal in the 1930s suggested that the interests of a large city authority claiming to represent an extensive industrial and commercial community would always take priority over any other consideration. Future opposition would be costly and futile.

Inevitably, the ownership of an airport outside the Manchester Corporation's administrative area eventually involved the question of ultimate incorporation of land into the City given the complexities of airport operation and the suggestion that it was only equitable that ratepayers who had borne the direct rate burden arising out of development were entitled to the benefit of the attendant increase in rateable values of land. In the event, the settlement of this issue bore little direct relation to airport operation and was more the outcome of a desire to recognise that the differentiation between "town" and "country" was becoming blurred given the needs of a "modern" economy.

In the face of mounting opposition from a wider representative base in the 1960s, formal consultative arrangements were instituted. However, it is argued that the influence of the local community in decision making processes remained minimal. In balancing the needs of the local residents, interest groups and authorities on the one hand- and those of the airlines and their customers on the other, generally the economic lobby of the airlines outweighed community interests.

Whilst opposition to airport development was fruitless, it is equally clear that the role of "airport booster" groups in promoting

development was limited. Whilst the Manchester Chamber of Commerce demonstrated a reluctance to offer support in the 1920s and 1930s, being primarily concerned with minimising the rate burden, the Lancashire Aero Club assumed the role of "booster" group. However, such support was again limited as the Club prevaricated when confronted with the uncertainty which characterised future requirements. In subsequent years, when it became apparent that airport operation was a viable proposition, an era of close collaboration between the City authorities and the Chamber was ushered in. However, this was short-lived as the Airport Committee became increasingly wary of the motivations of the Chamber and more conscious of its independent responsibility as aerodrome owner for promoting a development process from which it could gain both in terms of prestige and finance. Generally, it is argued that as far as the airport in its immediate locale is concerned, despite the incidence of externalities, the local community has been neither a positive nor negative influence as the aspirations of a large municipal authority and the needs of the economy have taken precedence.

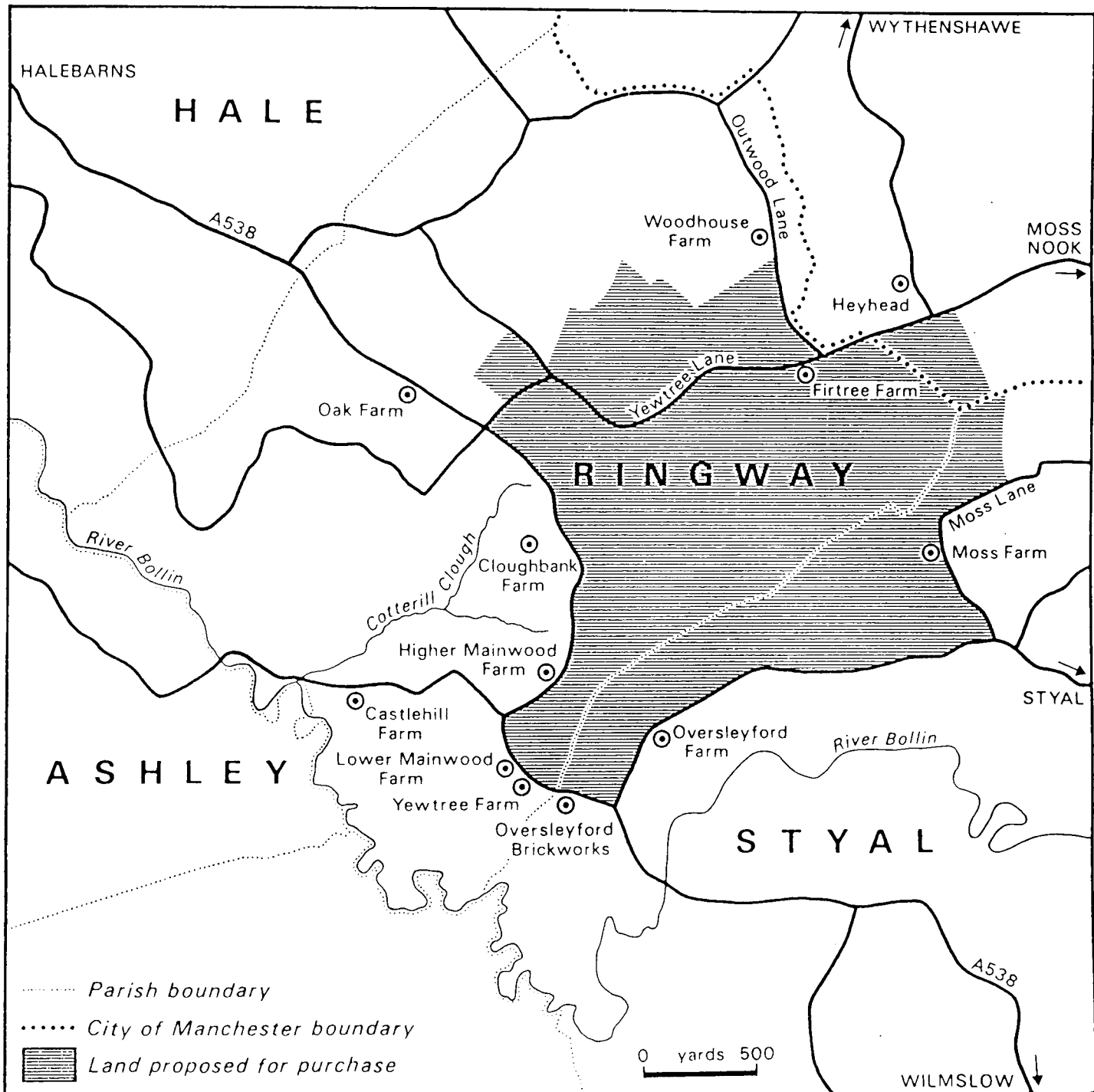
Figure 4.1**THE ORIGINAL RINGWAY AIRPORT SITE AS PROPOSED IN 1934**

Table 4.1a**PLACE OF RESIDENCE OF EMPLOYEES OF MANCHESTER CORPORATION AIRPORT
DEPARTMENT, 1956**

<u>LOCAL AUTHORITY</u>	<u>EMPLOYEES</u>
Bucklow RDC	6
Cheadle and Gatley UDC	12
Stockport	4
Stretford	4
Sale UDC	5
Alderley Edge UDC	2
Wilmslow UDC	9
Hale UDC	3
Altrincham	12
Urmston	2
Hollingsworth (Cheshire)	1
Manchester	110
	—
Total Staff and Industrial Employees:	170
	—

Source: Manchester Corporation Airport Department, 1 March 1956
and Town Clerk's Department (P) Town Hall, Manchester, 29
March 1956.

Table 4.1b**AREAS OF RESIDENCE OF EMPLOYEES ON THE AIRPORT, 1956**

<u>LOCAL AUTHORITY</u>	<u>EMPLOYEES</u>
City of Manchester	648
Cheshire	
Stockport CB	119
County Districts:	
Altrincham MB	121
Dukinfield MB	1
Macclesfield MB	9
Sale MB	35
Alderley Edge UD	2
Bredbury and Romiley UD	1
Cheadle and Gatley UD	121
Hale UD	11
Knutsford UD	3
Longdendale UD (Hollingsworth)	1
Marple UD	1
Wilmslow UD	81
Bucklow RD	9
Macclesfield RD (Poynton)	1
	397
Lancashire	
City of Salford	5
Bolton CB	1
Oldham CB	1
	7
County Districts:	
Eccles MB	2
Middleton MB	1
Stretford MB	7
Swinton MB	1
Chadderton UD	2
Ormskirk UD	1
Tyldesley UD	1
Urmston UD	5
Whitefield UD	1
	21
	—
Total Staff	1192
	—

Source: Manchester Corporation Airport Department, 1 March 1956 and Town Clerk's Department (P) Town Hall, Manchester, 29 March 1956.

Table 4.2

EARLY EXTENSIONS OF THE BOUNDARY OF THE CITY OF MANCHESTER

LEGISLATION	DISTRICTS	ACRES	POPULATION	RATEABLE VALUE	REMARKS
Manchester City Extension Act, 1885	Harpurhey, Bradford, Rusholme, Moss Side, Withington.	1640.5	32,169	135,747	Local boards of districts requested incorporation - bill unopposed.
Local Government Provisional Order (No16) Act 1895	Crumpsall, Newton Heath, Openshaw, West Gorton, Blackley, Clayton, Crumpsall, Moston.	7,001	89,513	358,256	Provisional order applied for after request by districts other than Gorton to be incorporated. Gorton and Lancashire opposed.
Manchester Corporation Act, 1901	Kirkmanshulme Lane (part) in Gorton	0.5	-	-	Widening and improving lane, extension unopposed.
Manchester Corporation Act, 1903	Heaton Park	719	-	-	Park purchased by Corporation 1902 for £231,150. Unopposed.
Manchester Corporation (General Powers) Act, 1904	Withington, Moss Side.	6,239	57,600	361,808	Incorporation requested - unopposed.
Manchester Corporation Act, 1909	Levenshulme, Gorton (remainder).	1,752	60,000	191,968	Districts requested, Lancashire county opposed; Corporation withdrew. The two districts brought action against the Corporation, so bill promoted following year.

Table 4.2 Continued

EARLY EXTENSIONS OF THE BOUNDARY OF THE CITY OF MANCHESTER 1885-1931 Continued

LEGISLATION	DISTRICTS	ACRES	POPULATION	RATEABLE VALUE	REMARKS
Local Government Boards Provisional Orders Confirmation (No.13) Act, 1913	Heaton Norris (part)	45	-	946	45 acres of urban district transferred to city; greater part transferred to Stockport County borough. Opposed by Lancashire County
Manchester Extension Act, 1931	Parishes of Baguley, Northenden and North Etchells.	5,567	5,467	35,923	Original bill promoted 1927, unproven. Further bill promoted 1929/30 opposed by Cheshire County and Bucklow RDC.

Source: In Parliament Session 1955-56, Note on the early extensions of the boundary of the City.

Figure 4.2

THE CHESHIRE GREEN BELT

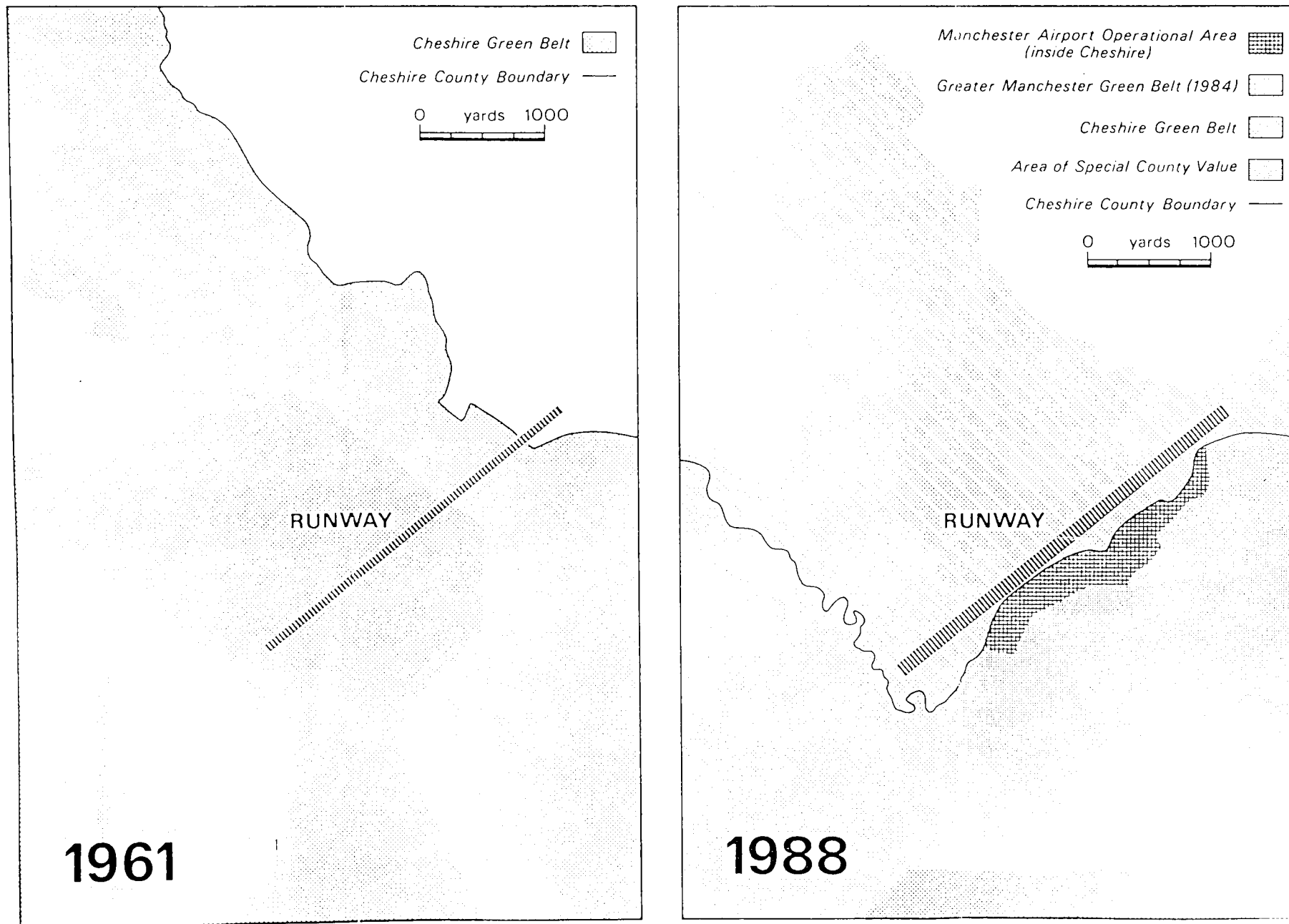


Table 4.3AERODROMES INCORPORATED INTO THEIR LOCAL AUTHORITY AREAS TO 1955

AERODROME	LOCAL AUTHORITY	ACT OR ORDER AUTHORISING EXTENSION	AREA INCORPORATED (ACRE)
Bristol (Whitchurch)	Bristol County Borough	Somerset and Bristol (Alteration of Boundaries) Order, 1951	32
Carlisle (Kingston)	Carlisle County Borough	Carlisle Extension Act, 1950	350
Ipswich	Ipswich County Borough	East Suffolk Review Order, 1934. East Suffolk and Ipswich (Alteration of Boundaries) Order, 1952	(214) (58) 272
Liverpool (Speke)	Liverpool County Borough	Liverpool Extension Order, 1932	284
Plymouth (Rodborough)	Plymouth County Borough	Plymouth Extension Act, 1950	85
Luton	Luton Borough	Ministry of Health Provisional Orders Confirmation (Luton Extension) Act, 1939	368

Source: In Parliament session 1955-56, Manchester Corporation Bill, Schedule of Municipal Aerodromes in England and Wales which are within the area of the Local Authority by which they were provided as a result of the boundaries of the Local Authority.

Table 4.4a**STATEMENT OF LOSSES IN THE AREA OF THE COUNTY OF CHESTER AND OTHER COUNTIES 1891/1955**

<u>AREA</u>	<u>CESHIRE</u>	<u>LANCASHIRE</u>	<u>DERBYSHIRE</u>	<u>YORKS/WEST RIDING</u>
Acres in 1891	646,027	1,124,450	654,100	1,701,386
Acres in 1955	621,825	1,033,479	635,456	1,609,761
Area Lost to the County	24,202	90,971	18,644	91,625
%	3.75	8.09	2.85	5.39

Table 4.4b**COMPARATIVE POPULATIONS OF THE CHESHIRE COUNTY THE MANCHESTER CITY AND THE TWO DISTRICTS INVOLVED IN INCORPORATION 1911 - 1955**

<u>AREA</u>	<u>1911</u>	<u>1921</u>	<u>1931</u>	<u>1951</u>	<u>1955</u>
Cheshire Admin County	676,275	625,227	(a) 675,190	824,438	840,200
Manchester City	714,333	730,307	(a) 766,333	703,175	692,200
Wilmslow Urban District	8,153	8,282	9,760	(b) 19,531	19,450
Bucklow Rural District	22,868	22,419	(a) 20,114	(c) 11,170	11,999

- (a) Under the Manchester Extension Act, 1930, a population of 5,467 formerly in the Rural District of Bucklow was included in the City.
- (b) Under the County of Chester Review Order, 1936, the Wilmslow Urban District was enlarged by 2,604 acres and population increased by 2,802.
- (c) Under the County of Chester Review Order, 1936, the area of Bucklow Rural District was reduced by 5,208 acres and population reduced by 16,803.

Table 4.4cEFFECT OF PROPOSED INCORPORATION ON AREA, POPULATION AND RATEABLE
VALUE ON THE CHESHIRE COUNTY

	<u>AREA</u> (Acres)	<u>POPULATION</u>	<u>RATEABLE</u> <u>VALUE £</u>
Existing	621,825	840,200	9,791,916
After deduction of incorporated areas	620,641		9,766,895

Sources: Minutes of Evidence of the Royal Commission on Local Government, Part IV Ordnance Survey Department; Census of Population Reports; Registrar General's Estimates of the Population of England and Wales at 30 June 1955 reproduced in Parliament Session 1955-6 in support of Manchester Corporation Bill.

Table 4.5SITES OFFERED BY COUNTY AUTHORITIES TO ACCOMMODATE MANCHESTER'S
HOUSING PROGRAMME FOR 1953 - 60

<u>AUTHORITY</u>	<u>SITE</u>	<u>CAPACITY</u>
Cheshire	Bredbury and Romiley UD (Goyt Valley)	260
	Bredbury and Romiley UD (Bredbury Green)	320
	Cheadle and Gatley UD (two sites)	350
	Hazel Grove and Bramhall UD	420
	Knutsford UD	250
	Marple UD (two sites)	600
	Bucklow RD (Partington)	1,250
	Sale MB	400
	Wilmslow UD	800
	Stalybridge MB	850
	Hyde MD and Longendale UD (Hattersley)	4,000
	Longendale UD (Hollingsworth)	1,000
		<hr/>
	*	10,500
Derbyshire	Glossop MB (Hadfield)	350
Lancashire	Middleton MB (Langley)	4,639
	Whitefield UD	1,970
	Heywood MB	1,715
		<hr/>
		8,324

* Cheshire also offered sites at Congleton, Crewe, Macclesfield and Sandbach but the Corporation only agreed to consider sites at Crewe (3,500) and Macclesfield (4,500)

Source: In Parliamentary Session 1955 - 56, Manchester Corporation Bill, Brief of Promoters, Accompanying Doc 41 Note on Manchester's "over-spill" prepared by P B Dingle, Town Clerk of Manchester.

Appendix 4.1CONSTITUENT LOCAL AUTHORITIES OF THE SOUTH EAST LANCASHIRE SPECIAL
REVIEW AREA, 1962

County Boroughs:

Bolton, Bury, Manchester, Oldham, Rochdale, Salford, Stockport.

Non-County Boroughs:

Alderley Edge, Audenshaw, Bowdon, Bredbury and Romiley, Chadderton, Cheadle and Gatley, Crompton, Denton, Droylsden, Failsworth, Hale, Hazel Grove and Bramhall, Horwich, Irlam, Kearsley, Lees, Littleborough, Little Lever, Marple, Milnrow, Royton, Tottington, Urmston, Wardle, Westhoughton, Whitefield, Whitworth, Wilmslow, Worsley.

Rural Districts:

Disley

Rural Parishes:

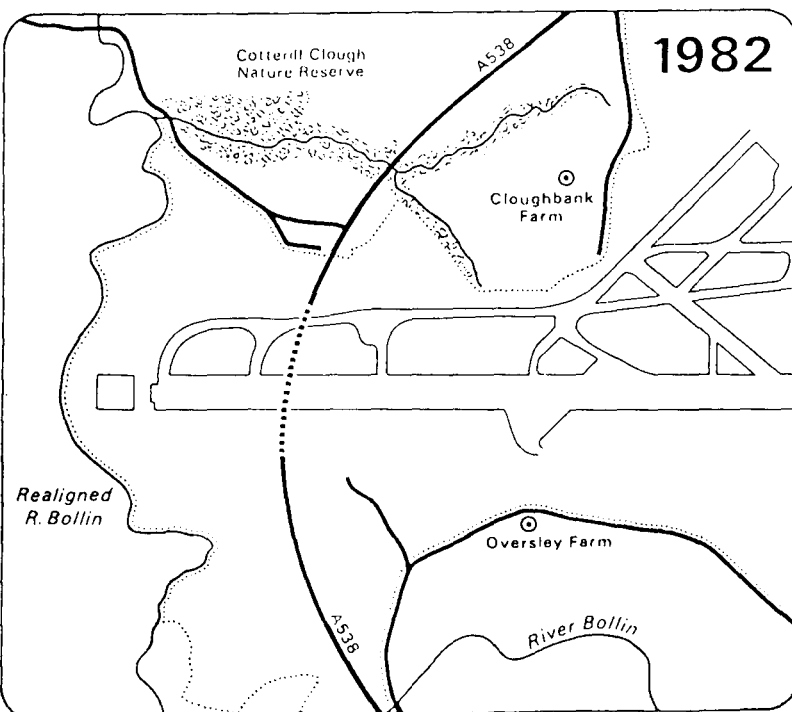
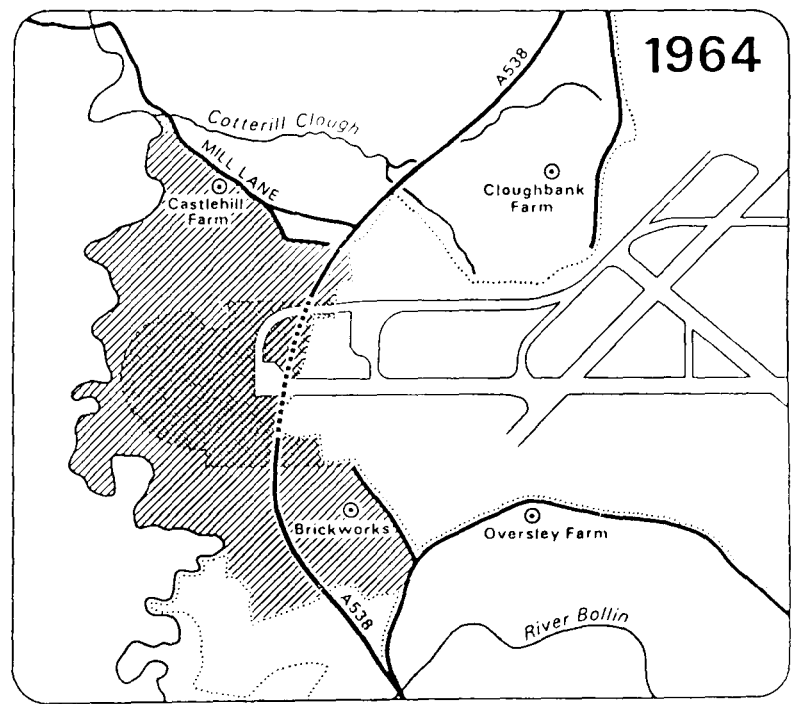
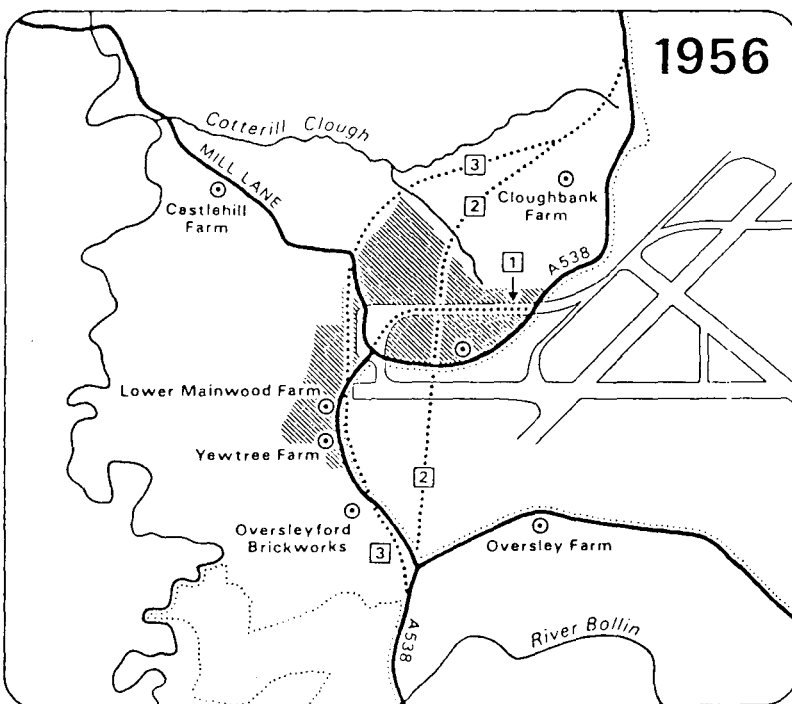
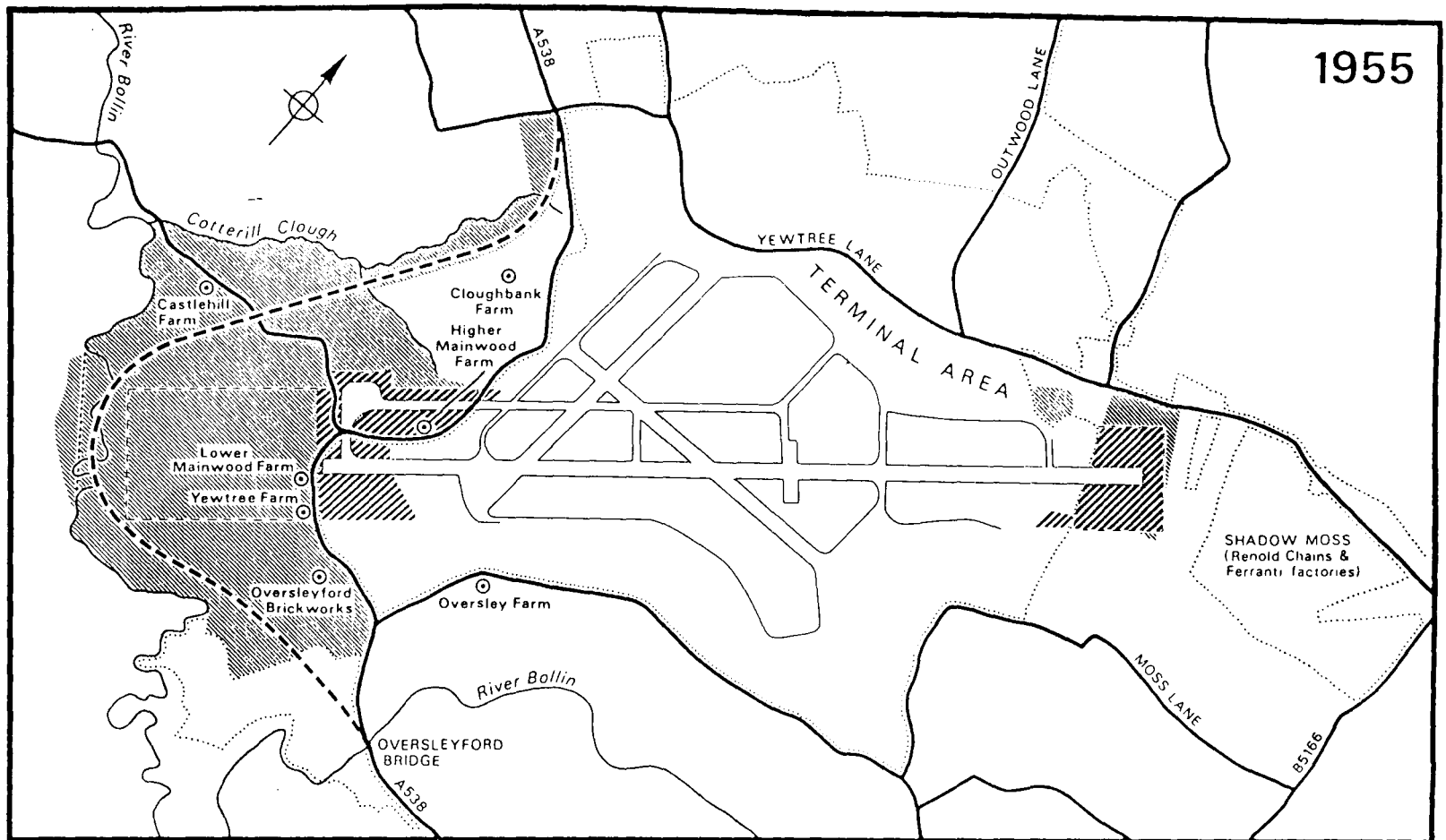
Carrington)	
Partington)	In rural district of Bucklow
Ringway)	

Source: Local Government Act, 1958, The Local Government Commission Regulations, 1958, South East Lancashire Special Review Area, Secretary HF Summers, DS064325/4/341M 5/62XL.

Appendix 4.2OVERSEAS TRADE LINKS FOR SOUTH EAST LANCASHIRE AND NORTH EAST
CHESHIRE, 1938

<u>TRADE LINK</u>	<u>NUMBER OF FIRMS</u>
Belgium	402
France	495
Italy	268
Spain	256
Switzerland	353
Austria	398
Baltic States	359
Bulgaria	215
Czechoslovakia	284
Denmark	523
Finland	470
Germany	392
Greece	372
Hungary	219
Netherlands	479
Norway	453
Poland	287
Portugal	257
Rumania	292
Soviet Union	263
Sweden	460
Turkey	268
Yugoslavia	262

Source: Air Transport Licensing Authority, Application of Railway Air Services Limited to operate between London and Glasgow with intermediate landings. Proof of evidence of Mr HA Baerlein, Manchester Chamber of Commerce, 6 January 1939.



- Land owned by Manchester Corporation
- ▨ Land to be acquired
- ▩ Land owned by Jackson's Brickworks
- ▧ Prepared strip
- Originally reserved for future expansion
- Proposed diversion of A538
- ...[1]... Temporary diversion of A538 along taxiway
- ...[2]... Corporation proposal of A538 in tunnel
- ...[3]... Ministry proposal of A538 in tunnel

0 yards 1000

Figure 4.3

RUNWAY EXTENSION AT MANCHESTER AIRPORT

Table 4.6**LAND ACQUISITION BY AGREEMENT FOR EXTENSION OF MANCHESTER AIRPORT'S MAIN RUNWAY TO 9,000 FEET**

<u>HOLDING</u>	<u>ACREAGE</u>	<u>LIVESTOCK</u>
Oak Farm	217	78 Dairy Cattle 21 Beef Cattle 110 Sheep
Clough Bank Farm	77	40 Dairy Cattle and Followers 34 Beef Cattle 150 Poultry
Castle Mill Farm	131	45 Dairy Stock 10 Beef Cattle 18 Pigs 15 Sheep 300 Poultry

Source: Bellyse and Eric Smith, Solicitors, Nantwich, Cheshire, 24 December 1964 Proposed extension of main runway and ancillary works and permanent diversion of the Wilmslow to Altrincham Road (A538) and Mill Lane, Manchester Airport (Ringway) for the Manchester City Council

Table 4.7**GROWTH OF NIGHT JET MOVEMENTS AT MANCHESTER AIRPORT 1966-78**

<u>YEAR</u>	<u>LIMIT ON THE NUMBER OF NIGHT AIRCRAFT MOVEMENTS APRIL TO OCTOBER</u>		
	<u>TOTAL</u>	<u>CONVENTIONAL</u>	<u>QUIETER TYPES</u>
1966	1,500		
1969	2,150		
1970	2,750		
1971	2,750		
1972	4,000		
1973	3,250		
1974	3,250	3,000	250
1976	3,100	2,750	350
1977	3,100	2,700	400
1978	3,100	2,700	400

Source: Compiled from Manchester Airport Committee and MIAA minutes

Appendix 4.3**MANCHESTER AIRPORT CONSULTATIVE COMMITTEE, 1969**

<u>ORGANISATION</u>	<u>NUMBER OF REPRESENTATIVES</u>
Cheshire County Council	4
Stockport CBC	1
Bowdon UDC	1
Cheadle and Gatley UDC	1
Hale UDC	1
Hazel Grove and Bramhall UDC	1
Knutsford UDC	1
Wilmslow UDC	1
Bucklow RDC	1
Macclesfield RDC	1
Manchester Chamber of Commerce	1
CBI North Western Regional Council	1
North West Economic Planning Council	1
Airline Operators' Committee - Manchester Airport	1
Manchester and Salford Trades Council	1
Cheshire Federation of Ratepayers	1
ABTA	1

Source: Manchester Airport, Annual Report, 1969.

REFERENCES

- 1 Ministry of Health, Local Inquiry, 1934. Air Navigation Act, 1920; Public Works Facilities Act 1930; Local Government Act, 1933 Proposed Airport for Manchester Corporation at Ringway. Brief on behalf of Cheshire County Council, the Urban District Councils of Altrincham, Alderley Edge, Bowdon, Hale, Handforth, Sale, Wilmslow and Bucklow Rural District Council (MA PLC Archive).
- 2 Manchester Guardian, 12 May, 1934, see also Evening Chronicle, 27 June 1934.
- 3 Evening Chronicle, 28 July, 1934.
- 4 Manchester Evening News, 26 July, 1934.
- 5 Ministry of Health Local Inquiry, 1934 Brief on behalf of Cheshire County Council, the Urban District Councils of Altrincham, Alderley Edge, Bowdon, Hale, Handforth, Sale, Wilmslow and Bucklow Rural District Council, op cit.
- 6 Objections were lodged with the Secretary of State on the following dates:

 North Cheshire Regional Planning Committee - 9 August 1934
 Alderley Edge UDC - 16 August 1934
 Bucklow RDC - 16 August 1934
 Hale UDC - 9 August 1934
 Ringway Parish Council - 10 August 1934
 Wilmslow UDC - 10 August 1934
 Bowdon UDC - 14 August 1934
 Cheshire County Council - 14 August 1934
 Sale UDC - 15 August 1934
 Handforth UDC - 16 August 1934
- 7 This argument figured prominently in the objections lodged by the North Cheshire Regional Planning Committee, Alderley Edge UDC and Bucklow RDC situated in the County of Cheshire and the Cheshire County Council itself.
- 8 Alderley Edge UDC and Bucklow RDC questioned the role of the airport scheme in creating employment at the time, going against the implicit assumption regarding airport development. Generally, throughout the period of development of the civil air transport industry, airports have tended to be regarded as major sources of employment and economic growth, a contention supported by central government and other policy making

institutions. For example, in 1969 the Edwards Committee held that "improved air services are an essential element of the policies needed to increase the rate of economic growth in the areas with which they are concerned." In 1981, observers within the EEC reported that, "the provision of new services is an important aspect of employment generation in regional development." (European Parliament, Working Document 1-553/81, 5 October 1981). Analysis of the impact of airport development on employment has suggested that jobs may be created in construction, in airport operation, in airport associated activities and in stimulating the growth of existing and new industries within a locality. Different forms of employment generation have been identified including direct, associated and indirect employment which may be quantifiable and induced employment resulting from an improved business climate consequent upon the expansion of air services which is largely unquantifiable. It should be stressed however, that conclusions have tended to be implicit with little analysis having been undertaken regarding the role of individual UK airports in employment generation and Manchester Airport is no exception to this general rule. Although, direct, associated and indirect employment may be quantifiable in theory, in practice data sources tend to be inadequate. Tables 1a and 1b provide very limited data regarding the place of residence of employees for one year, 1956, and although no firm conclusions may be drawn from this, data suggests that in respect of the Airport Department itself, the labour force tended to be recruited from the Manchester area. In this sense then, the contentions of Alderley Edge and Bucklow may be supported. However, as far as employment generation on the airport site is concerned, a much wider catchment area was involved suggesting that displaced agricultural workers may have found opportunities for employment on site.

- 9 See correspondence between W Cobbett, Clerk to Alderley Edge UDC, Cheshire, and the Secretary of State for Air, London, 16 August 1934; W C Jennings, Clerk to the Bucklow RDC, to the Secretary, Air Ministry, London, 16 August 1934, and Geoffrey C Scrimgeour, Clerk to the County Council, Chester, to the Secretary, Air Ministry, London SW1, 14 August 1934 (MA PLC Archive).
- 10 Ministry of Health Local Inquiry, 1934, op cit see also Manchester Guardian, 9 and 10 October 1934.
- 11 Manchester Guardian, 19 October 1934.
- 12 Manchester Guardian, 10 October 1934.
- 13 Manchester Guardian, 27 July 1934, see also 9 October 1934, op cit, see also, Manchester Evening News 26 July 1934.

- 14 Evening Chronicle, 8 August 1934.
- 15 Extract from the proceedings of the Local Inquiry held in the Town Hall, Manchester, 9 - 19 October 1934, in connection with the City of Manchester (Ringway Airport) Compulsory Purchase Order, 1934, fifth day (MA PLC Archive).
- 16 *ibid*, sixth day.
- 17 Manchester Corporation Bill - Note on the Early Extensions of the Boundary of the City (MA PLC Archive).
- 18 Ministry of Health Local Inquiry, 1934, *op cit*, Transcript of shorthand notes of proceedings, see also Daily Dispatch, 10 January 1935.
- 19 Parliamentary debates, House of Commons, Vol 298 No 53.
- 20 City of Manchester (Ringway Airport) Compulsory Purchase Order, 1934. In the High Court of Justice, Kings Bench Division, Brief for Manchester Corporation, May 1935 (MA PLC Archive).
- 21 City of Manchester (Ringway Airport) Compulsory Purchase Order, 1934. Appeal against the Order confirmed by the Secretary of State for Air on 8 February 1935. Brief on behalf of Cheshire County Council, the UDCs of Altrincham, Alderley Edge, Bowdon, Hale, Handforth, Sale, Wilmslow, the RDC of Bucklow and Mr Henry Phillips Greg. pp 5 - 8 (MA PLC Archive).
- 22 *ibid*.
- 23 *ibid*
- 24 Parliamentary Debates, House of Commons, Vol 298, No 53, 5 March 1935 (Col 2134 - 2136), see also the High Court of Justice, Kings Bench Division, Royal Courts of Justice, Manchester, 27 March 1935 before Mr Justice Branson, City of Manchester (Ringway Airport) Compulsory Purchase Order, 1934. In the matter of an appeal against the City of Manchester (Ringway Airport) Compulsory Purchase order, 1934 and in the matter of the Public Works Facilities Act, 1930, shorthand notes, judgement (MA PLC Archive).
- 25 Manchester Evening News, 9 February 1935; Stockport Advertiser, 15 February 1935; Manchester Guardian, 6 June 1935.

- 26 City of Manchester, Airport Committee, 3 June 1965. Manchester Airport - Extension of Main Runway Scheme "F" Diversion of Wilmslow - Altrincham Road, A538. Betterment contribution from Cheshire County Council (MA PLC Archive).
- 27 City of Manchester, Airport Committee, 8 March 1956, Report from the City Surveyor "Green Belt in Cheshire", 16 February 1956 (MA PLC Archive).
- 28 City of Manchester, Airport Committee, 9 September 1965, Manchester Airport - Collection of Refuse, Report from the Airport Director, 2 September 1965, see also Wythenshawe Express, 15 October 1958 and City Treasurer's Department Bucklow RDC and Manchester Corporation - Sewage Agreement (Drainage of Manchester Airport) (MA PLC Archive).
- 29 Rating Assessments covered all properties at Manchester Airport in Manchester Corporation or their tenants' occupation. From an examination of the Rating Assessments for Manchester Airport submitted to the Airport Committee, it is clear that the Bucklow RDC and Wilmslow UDC accrued increased rate income from development. For example, the rateable value of that portion of the Airport which was in Bucklow RDC was increased from £17,750 to £18,350 in 1960/61 as a result of the use of the additional 1,100 feet of stopway. In the financial year 1961/2 rateable value for the area falling within Bucklow RDC was increased to £19,684 and rateable value for that part of the airport falling within the jurisdiction of the Wilmslow UDC was increased from £250 to £280 as a result of the granting of tenancies to occupy the terminal building.
- 30 Manchester Evening News, 28 June 1955 and 15 November 1955, see also Manchester Guardian, 20 January 1956.
- 31 Correspondence, PB Dingle, Town Clerk, Manchester Corporation to the Clerk, Cheshire County Council, Chester - Manchester (Ringway) Airport, 5 October 1955 (MA PLC Archive), see also Manchester Evening News, 12 July 1956.
- 32 Manchester Evening News, 15 November 1955, see also Manchester Guardian, 16 November 1955 and 19 November 1955.
- 33 Altrincham, Hale and Bowdon Guardian, 17 February 1956 and 20 July 1956, see also Manchester Guardian, 19 January 1956.
- 34 Evening Chronicle, 13 July 1956.

- 35 Manchester Evening News, 12 July 1956.
- 36 Altrincham, Hale and Bowdon Guardian, 18 May 1956.
- 37 In Parliamentary Session 1956, Manchester Corporation Bill, Brief for the Promoters, Accompanying document 41, note on Manchester's over-spill prepared by PB Dingle, Town Clerk of Manchester (MA PLC Archive).
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- 40 ibid.
41. ibid.
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- 44 Oral evidence, Robert Nicholls, Estates Department, Manchester Airport Plc, 6 January 1991.
- 45 Correspondence, Clerk of the Council, Wilmslow UDC, to the Town Clerk, Manchester - Local Government Re-organisation, 17 May 1971 (MA PLC Archive).
- 46 Robinson, Brian R, "Aviation in Manchester, A Short History", op cit.
- 47 Correspondence, John F Leeming to P M Heath, Esq., Town Clerk's Department, Manchester, 24 January 1928 (MA PLC Archive).
- 48 Leeming, John F, "Aviation and Manchester", March 1928.

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- 50 Correspondence, John F Leeming, Lancashire Aero Club, to the Lord Mayor, Manchester, 27 February 1928 (MA PLC Archive).
- 51 Minutes of Manchester Corporation's Parliamentary Sub-Committee, 14 March 1928 (MA PLC Archive).
- 52 Manchester Corporation, Parliamentary Sub-Committee Report of Proceedings, 27 September 1928 (MA PLC Archive).
- 53 Extract "The Aeroplane", 30 October 1929.
- 54 Correspondence, Alan Goodfellow to F E Warbreck-Howell, Town Clerk, Manchester, 17 May 1934 (MA PLC Archive).
- 55 Airport Committee: Visit to Manchester Airport of Representatives of the Manchester Chamber of Commerce and the Federation of British Industries, 30 June 1958, short history of the Manchester Chamber of Commerce (MA PLC Archive).
- 56 Correspondence, Secretary, Manchester Chamber of Commerce, to the Lord Mayor, Manchester, 17 April 1928 (MA PLC Archive).
- 57 Extract "The Aeroplane", 30 October 1929.
- 58 Correspondence, F E Warbreck-Howell, Town Clerk, Manchester, to the Secretary, Manchester Chamber of Commerce, 12 June 1929 (MA PLC Archive).
- 59 Robinson, Brian R, "Aviation in Manchester", see also meeting between the President of the Manchester Chamber of Commerce and John F Leeming, 2 December 1928.
- 60 Robinson, Brian R, *op cit*.
- 61 The Development of the Manchester (Ringway) Airport, A Memorandum on Policy drawn up by the Air Transport Committee of the Manchester Chamber of Commerce, 1 December 1938 (MA PLC Archive).
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- 63 *ibid.*
- 64 *ibid.*
- 65 Air Transport Licensing Authority, application of Railway Air Services Limited to operate between London and Glasgow with intermediate landings. Proof of Evidence of Mr H A Baerlein, Manchester Chamber of Commerce, HCNE/EH, 6 January 1939 (MA PLC Archive).
- 66 The Development of Manchester (Ringway) Airport, Manchester Chamber of Commerce, 1 December 1938, *op cit*, Summary of Recommendations and Conclusions.
- 67 Airport Committee, 25 January 1945, Correspondence from Manchester Chamber of Commerce to the Town Clerk, Manchester, 11 December 1944 (MA PLC Archive), see also Manchester Chamber of Commerce, Monthly Record Vol LVI No5, 31 May 1945.
- 68 Manchester Chamber of Commerce, Monthly Record Vol LVI No5, 31 May 1945, see also Minutes of meeting with Minister of Civil Aviation representatives of the Manchester Chamber of Commerce and the Manchester Corporation to discuss the position of Manchester in relation to the future civil aviation service, and correspondence Town Clerk, Manchester to the Chief Constable, Ringway Airport, 8 March 1946 (MA PLC Archive).
- 69 Correspondence, Manchester Chamber of Commerce H Baker, Sectional Secretary to G Cook, Town Clerk's Department, Manchester, 22 March 1945, Resolution adopted by the Transport Committee, 21 March 1945, see also Civil Air Transport Manchester's need for direct services, HB/JW1/4/46 (MA PLC Archive).
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- 71 Airport Committee, 12 March 1964, Special Sub-Committee re Airport Development (MA PLC Archive).
- 72 Memorandum of Conference, 23 May 1951, *op cit*.
- 73 Notes for the use of Alderman Stockdale in proposing the toast "our Guests" at a meeting with representatives of airline companies, freight agents, etc, 29 March 1968 (MA PLC Archive).

In July 1964, for example, the Air Transport Committee held a joint meeting with airline operators in membership of the Chamber to explore how the Chamber could be of practical assistance. Operators felt that factual information regarding the foreign trading and passenger travelling of business firms would be useful as a guide to the market structure of air services. With the assistance of the Royal College of Advanced Technology, the Chamber then surveyed a sample of firms within 70 miles of Manchester, publishing results in 1966 which broadly suggested, amongst other things, that whilst Manchester Airport was attracting the great bulk of cargo for export, a substantial amount was channelled through London because of the availability of direct flights to chosen destinations.

- 74 Airport Committee, 11 July 1968, meetings with the Air Transport Committee of Manchester Chamber of Commerce and representatives of the Confederation of British Industry; Appendix 2, Town Clerk's Report to Airport Committee, 4 July 1968 (MA PLC Archive).

- 75 Civil Aviation Act, 1949, Statutory Order (Special Procedure) Act, 1945, Manchester Corporation Act, 1954. Proposed stopping up of lengths of two roads adjoining Manchester Airport in the County of Chester to enable Manchester Corporation to develop the land for civil aviation purposes. Local Inquiry to be held in the Town Hall, Manchester on 4 December 1958, at 10am in No1 Committee Room before Sir Maurice Holmes GBE, KCB, Barrister-at-Law, appointed by the Minister of Transport and Civil Aviation. Brief for the Corporation (MA PLC Archive) See also Manchester Guardian, 13 September 1955.

- 76 Local Inquiry, 4 December 1958, Brief for the Corporation, op cit.

- 77 Memorandum to the Town Clerk, Manchester: Conference with Mr Morris, 1 December 1955 at Berkeley Square House, 29 November 1955 (MA PLC Archive).

- 78 Manchester Guardian, 14 December 1955.

- 79 Correspondence, F C Aitken, Assistant General Works Manager, Ferranti Limited, Electrical and General Engineers, Shadow Moss Road, Wythenshawe, to P B Dingle, Town Clerk, Manchester, 29 December 1955 (MA PLC Archive).

- 80 Memorandum to the Town Clerk, Manchester, 29 November 1955, op cit.

- 81 Airports are classified according to International Standards laid down by the International Civil Aviation Organisation, Class "A" being the largest type of international airport, Class "B" being of an international character with a main runway less than 8,400 but not less than 7,000 feet and Class "C" having a main runway of at least 5,900 feet but less than 7,000 feet.
- 82 Note, re provision of stopway and associated clearway at NE contained in Accession No 1912, Manchester Airport Plc Archive.
- 83 Local Inquiry at the Town Hall, Manchester, 4 December 1958, op cit. See also Proof of Evidence, The Civil Aviation Act, 1949, City of Manchester (Airport Extension) No2 Compulsory Purchase Order, 1958. Public Inquiry, 4 February 1958, Proof of the Deputy City Surveyor and Engineer of Manchester (MA PLC Archive).
- 84 Public Inquiry, 4 February 1958, Proof of the Deputy City Surveyor and Engineer of Manchester op cit. See also Civil Aviation Act, 1949, Acquisition of Land (Authorisation Procedure) Act, 1946, City of Manchester (Airport Extension) No2 Compulsory Purchase Order, 1957, Report of Public Local Inquiry held at the Town Hall, Manchester, 4 February 1958 by A N C Shelley, Barrister-at-Law (MA PLC Archive).
- 85 Report of Public Local Inquiry, 4 February 1958, op cit.
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- 88 Memorandum of meeting of Special Sub-Committee of the Airport Committee, re Airport Developments, 4 October 1956 (MA PLC Archive), see also Manchester Guardian, 12 October 1956.
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- 90 Correspondence, Cheshire County Federation of Ratepayers' and Kindred Associations (Honorary General Secretary) to the Town Clerk, Manchester, Manchester Airport Runway Extensions, 11 October 1956 (MA PLC Archive).

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- 92 Local Inquiry, 4 December 1958, Brief for the Corporation, op cit.
- 93 Guardian, 9 December 1960, see also The Surveyor and Municipal County Engineers, 11 February 1961.
- 94 Council Circular Item No VII (c), Report No 3564, City of Manchester, Manchester Airport Extension of Main Runway beyond 7,000 feet, Report of the Airport Committee, 12 January 1961 (MA PLC Archive).
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- 105 Correspondence, K G Lee, Chair of Cheshire Conservation Trust Limited, to I Warbrick Esq, North Cheshire Area, Area Planning Officer, Altrincham. Proposed extension of main runway and ancillary works, and permanent diversion of the Wilmslow-Altrincham Road (A538) and Mill Lane, Manchester Airport, Ringway, for Manchester City Council, 17 November 1964. See also the Nature Conservancy, Shropshire (Dr Tom Pritchard, Regional Officer, Midland Region) to I Warbrick Esq, Area Planning Officer, Cheshire County Council, Altrincham, 29 October 1964 (MA PLC Archive).
- 106 Town and Country Planning Act, 1962, Civil Aviation Act, 1949, Acquisition of Land (Authorisation Procedure) Act, 1946. Report on objections and submissions made at a local Public Inquiry before RFF Williams, GM, AM, I Mun E, MTPI, 23 February 1965, File No PL4/1964/220/1 para 74 (MA PLC Archive).
- 107 Public Local Inquiry, to be held in the Town Hall, Manchester, 23 February 1965, Brief for the Corporation, op cit.
- 108 Manchester Guardian, 26 February 1965.
- 109 Manchester Evening News, 25 February 1965.
- 110 Town and Country Planning Act, 1962, Civil Aviation Act, 1949, Acquisition of Land (Authorisation Procedure) Act, 1946. Report on objections and submissions made at a local Public Inquiry before RFF Williams, GM, AM, I Mun E, MTPI, 23 February 1965, File No PL4/1964/220/1 paras 156-159 (MA PLC Archive).
- 111 ibid, para 168, see also Guardian, 24 February 1965 and Manchester Evening News, 23 February 1965.
- 112 Public Local Inquiry, 23 February 1965, Brief for the Corporation, op cit.
- 113 Manchester Evening News, 24 February 1965.

- 114 *ibid.*
- 115 *ibid.* To a significant degree, these general conclusions are supported by more recent and detailed work regarding the problem of aircraft noise at Manchester Airport. Aircraft Noise and Residential Property Values by G Pennington, N Topham and R Ward in the Journal of Transport and Economics Policy Vol 24 (1), January 1990, is worthy of note. The basis for this study was earlier research carried out by Pennington which had identified a noise effect. The study dealt with the Stockport area, using data derived from the period April 1985 to March 1986. In contrast to previous research, this study had particular merits in that it took account of neighbourhood characteristics and was based upon a relatively large sample of 3,500 observations. The major drawback was the inability to pin-point individual properties and the necessity to base research upon a noise map identifying NNI contours. However, it was generally found that in separating the marginal from the average variable the size of the co-efficient for noise reduced. It was generally concluded that at the lower end of the housing market, aircraft noise had little or no effect on property values. As the higher end of the market it was concluded that although a noise effect could be identified it tended to peter out in the long run. In other words, if, for example, a new runway was proposed this would be followed by an outflow of residents who were anti-aircraft noise from the area, depressing property values in the short term. However, in the long term, house prices would be restored by the movement of airport workers, etc, into the area.
- 116 Public Local Inquiry, 23 February 1965, Brief for the Corporation, *op cit.*
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- 124 Manchester Evening News, 1 December 1969.
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- 136 Wythenshawe Express, 7 June 1970.

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- 139 Manchester Advertiser, 25 May 1972.
- 140 Manchester Evening News, 17 February 1972.
- 141 Manchester Airport, Consultative Committee minutes, 6 April 1972.
- 142 Manchester City Council, Epitome of Proceedings, 1969-70, Airport Committee, 13 November 1969, see also Stockport Express, 11 December 1969.
- 143 Guardian, 10 March 1970.
- 144 Manchester City Council, Epitome of Proceedings, 1970-1, Airport Committee, 23 July 1970 and 1973-4, Airport Committee, 13 June 1973.
- 145 Daily Telegraph, 10 November 1971. The Noise and Number Index is a measure devised by the Wilson Committee for assessing disturbance due to aircraft noise. It combines into one figure the effect of the number of aircraft heard and their average peak noise level. With data regarding the amount and pattern of traffic using an airport NNI contours can be prepared showing the extent of noise exposure at various levels. A survey around Heathrow in 1961 led to 35 NNI being regarded as a low annoyance rating; 45 NNI as moderate and 55 NNI as a high annoyance rating. The measure has been criticised for giving too much weight to the frequency of movements as opposed to the noise of individual aircraft; for failing to take account of ambient noise levels and for indicating community response only where individually some people may suffer disturbance outside the 35 NNI.
- 146 Manchester International Airport Authority, 26 March 1976, Airport Director's Report to the Airport Authority, Manchester Airport, Aircraft Noise (MA PLC Archive).
- 147 *ibid.*
- 148 Manchester Airport Consultative Committee Minutes, 15 February 1979, Appendix A: Manchester Airport - Proposed Runway Extension. Application Ref No 5/17880.

- 149 *ibid.*
- 150 *ibid.*
- 151 Manchester Airport Consultative Committee Minutes, 16 October 1979.
- 152 Manchester Airport Consultative Committee Minutes, 15 February 1979, Appendix A, Manchester Airport Proposed Runway and Extension, Application Ref No 5/17880 (MA PLC Archive).
- 153 Collins, John, County Planner, Chester, May 1979, CD/5/17880 JP/MED, Appendix 2, Application Ref No 5/17880, *op cit.*
- 154 Wilmslow UDC Statement relating to objection to proposed extension of main runway, Manchester Airport (MA PLC Archive).
- 155 *ibid.*
- 156 Town and Country Planning Act, 1971, Town and Country Planning (Inquiries Procedure) Rules, 1974. Proposed 800 feet extension to existing main runway and ancillary works at Manchester International Airport. Public Local Inquiry, 12 February 1980. Proof of Evidence, John N E Twigg, Macclesfield Borough Council (MA PLC Archive).
- 157 Manchester Airport, Consultative Committee Minutes, 15 February 1979, Appendix A, *op cit.*
- 158 *ibid.*
- 159 Styal Action Association, Wilmslow, Cheshire, Proposed 800 foot extension to existing main runway and ancillary works at Manchester International Airport. Public Local Inquiry, 12 February 1980. Statement by Gwenda Stewart, Chair of Styal Action Association (MA PLC Archive).
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164 *ibid.*

**MUNICIPAL ENTERPRISE: THE GROWTH AND DEVELOPMENT
OF MANCHESTER AIRPORT
C 1910 - 1978**

by

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VOLUME TWO

P A R T I I

T H E R O L E O F N A T I O N A L A G E N C Y

CHAPTER FIVE

AIRPORTS

5.1 INTRODUCTION

The primary aim of Chapter Five is to examine the evolution of central government policy regarding the planning, ownership and financing of UK airports. Emphasis is placed upon the nature and direction of such policy and its implications for Manchester Airport. This Chapter charts the historical development of central government policy with a view to determining whether the airport was specifically singled out for special treatment within the broader UK network.

In Chapter Three it was argued that although municipal ownership structures could have constituted a constraining factor in airport development, this appears not to have been the case at Manchester Airport. Whilst particular objectives may be set at the local level of ownership and management, as previously suggested, any airport operates within a complex institutional framework comprising the civil air transport industry, which involves a degree of regulation generally not found elsewhere. The forces of central government are influential within this structure, although such influence may be exercised either directly or at arm's length - depending upon the extent to which a laissez-faire or strictly regulated and controlled approach is deemed more appropriate.

This chapter is divided into two main sections reflecting the notion that whilst airport planning structures may have implications for ownership, the planning function does not necessarily influence either financial policies or decisions as to whether airport operations should be subsidised in the form of central provision of particular services (such as air traffic control or by direct grant-aid). Indeed, because of the difficulties involved in executing development plans on a national scale within an industry which is complex and subject to rapid change, the planning function may be relegated to a position of secondary importance. However, this does not necessarily imply the abdication of central government involvement and support in financial support.

Generally, it is argued that during the period of development of

airport facilities in Manchester, central government policy regarding the planning and ownership of the network of UK airports has been equivocal and prevaricatory. Central government has been reluctant to play a leading role in determining the structure of the UK airport system, reflecting the inherent difficulties of the planning function (largely the outcome of the factors involved in airport operation highlighted earlier). However, whilst the central planning of airport facilities has had little implication for Manchester Airport within the broader UK network, the airport owner has derived some advantage from the receipt of grant-aid during a period when the general tenor of central government policy incorporated the rejection of the principle of subsidised airport operation. It is surely significant that the initiative for such an arrangement came from the local authority owners themselves; this reflects the ambition of the Manchester Corporation rather than any agent of central government operating within the industry.

5.2 THE CONCEPT OF AIRPORT PLANNING

The national planning of airport capacity is only one means of achieving a coherent overall airport strategy, moreover it is not always clear what is meant by a "national" airports plan or policy. The gist of the notion seems to be that the Government devises and executes a programme of investment and assumes responsibility for the operation of the full range of civil air transport facilities, continuously bearing in mind the factors relevant to the workings of the complete national airports system. It may be argued that all decision making implies planning of some form or other, but where the forces involved are complex and changeable as in the civil air transport industry, not only will the form of planning be influenced but also what it can realistically achieve. Planning structures set up to achieve national as well as local goals may vary considerably and each has different implications for the ownership, control and regulation of airports. (1)

In formulating an airport strategy, planning may be based on a single comprehensive exercise which identifies an ideal network to serve the whole country's future, showing the location, scale and function of all airports. This type of "rigid" planning is difficult to develop into an ongoing plan of work which is practicable and

relevant to real policy issues. The level of precision required by such a study may result in the project becoming overloaded with so much detail that by the time recommendations are formulated, circumstances may well have changed to the extent that conclusions are no longer valid. On a national scale, the number of options to be forecast and evaluated for different airport systems may in itself be daunting and thus there is the converse danger that studies may tend towards too much approximation and abstraction. (2)

Some national planning exercises may be designed to complement local and regional studies. Such "hybrid" planning systems offer advantages in solving the problem of the level of precision and degree of detail required for wide-ranging studies. A full examination of the merits of alternative airport developments can become the province of local studies leaving the wider study to focus on a relatively small number of problems which extend beyond regional boundaries. (3)

In considering this type of planning, the Committee of Inquiry into Civil Air Transport, reporting in 1969, identified a number of wider objectives which a National Airports Plan could address providing a broad framework for airport development. Firstly, a plan could seek to achieve a distribution of airports which would meet the needs of both economically viable and socially supported air services in every part of the country, whilst avoiding the waste of scarce resources. Secondly, it might be desirable to avoid the proliferation of airports serving the same traffic areas, thus strengthening the economies of airports themselves and providing the basis for a stronger network of air services than would be possible if airlines served two or more airports where one would suffice. A plan could also seek to achieve greater co-ordination between airport development and the provision of air services so that investment decisions in neither field would be made without the knowledge of decisions in the other. Fourthly, a national airports plan could establish a mechanism for forward plans to meet future requirements especially those arising from the rapidly changing operational characteristics of civil aircraft. Finally, the plan could form the basis for the co-ordination of airport development with the means of access to airports. (4)

Whilst national planning may complement lower level studies in this way, it may however still be difficult to determine which of the alternative airport plans emerging from a local study is consistent

with the broader national objectives. Similarly, it may be difficult to weigh the advantages of the alternative airport schemes offered. Thus, there is the danger that any large-scale national exercise will become little more than an "expensive white elephant". The Edwards Committee recognised also that "Preparing paper plans is one thing, having the power to implement them is another". In other words, even if an "efficient" plan emerges from a national strategic effort, it does not follow that it will be capable of execution if opposition is met in the local arena. (5)

National planning supported by a major commitment on the part of central government implies the complete ownership and control of all airports where civil air transport is conducted. It is an extreme model more characteristic of the former centrally planned, rather than the Western economies. Given the difficulties outlined earlier, Western efforts at planning have tended to deliberately avoid the compilation of a single master plan regarding the planning function as more of an on-going process. "Paper planning" has been conducted centrally in an attempt to provide a basis for the development of an integrated system of airports. The emphasis has been on controlling airport development at arms length and although the principle of planning may in itself suggest state ownership this has not been regarded as an essential element in achieving objectives. Again the Edwards Committee reported "Nothing we saw in the actual operation of airports suggested that central ownership of them all was necessary for efficient operation"; and "it seems to us desirable to fit the ownership and management of airports to their function." Generally, within the UK, this principle has tended to be the norm with the ownership of major airports being vested in central government agencies with control at other airports being exercised through regulation. (6)

Difficulties may be encountered in any form of airport planning be it rigid or hybrid. Each has different implications for ownership structures and some commentators go so far as to suggest that the National Airports Policy approach in any form will not lead to an improvement in decision making, Whitbread maintains that any policy which is based on the results of some extended systems analysis is an inferior substitute for attempting to equate airport tariffs with the full opportunity costs of utilising airport capacity.

It is argued that if airport planners and operators do not take into

account the full cost consequences of their decision to invest in and operate additional facilities, or do not relate the value of these resources to the regional benefit to be gained, then the results of transacting with passengers will not be "efficient". Thus a laissez-faire approach to airport strategy involving the minimum of government regulation, and the suggestion that the industry should be left to find its own level of growth through market forces, has been advocated as the most effective means of overcoming the airport planning problems and the difficulties of estimating future national and regional requirements. On the assumption that the ownership of airport capital is vested in private hands and that compensation for nuisance is paid by those creating it to those affected by it, it is argued that airports would begin to operate like the classical firm applying discriminatory pricing to different types of traffic and to peak and off-peak period operations. (7)

Whilst the laissez-faire approach is advocated on these grounds it has been argued that various operating conditions prevailing in the civil air transport industry tend to undermine the operation of free market forces, and evidence suggests that discriminatory pricing structures achieve little re-allocation of resources in practice. For example, as the larger UK airports in the South East have become increasingly congested, there has been some movement towards differentiation between peak and off-peak movements but this has had little impact on the congestion problems. Airlines have tended to maintain that this is largely due to the fact that landing fees are only a small proportion of airline costs and, therefore, a massive increase in peak charges with a negative charge for off-peak operations would be necessary to achieve the desired effect.

In reality, whatever the level of airport peak surcharges airline schedules may be inelastic to such price differentials for a number of reasons. An airline must satisfy the needs of passengers and the most critical factor in scheduling is to operate at the most popular times, maximising load factors. Carrying more passengers on a peak service may be more critical than any adjustment that could be made in airport charges. Secondly, airlines seek to design schedules which despatch a high proportion of the fleet at the commencement of the commercial day so as to maximise the efficiency of fleet utilisation. In particular, long haul services into the UK tend to be concentrated with arrivals

occurring between 06.00 and 10.00 and departures concentrating between 10.00 and 14.00. These timings are dictated by the reasonable arrival and departure times at the home and foreign airports. The long flight time together with different time zones combine to limit severely the commercially acceptable time bands. The problem of seasonal variations of traffic which are a fundamental element of large scale air services has not been significantly influenced by winter discount of fares and airport pricing policy is similarly unlikely to significantly alter the summer/winter demand ratio. (8)

Given the high proportion of capital costs involved in airport development, it has been argued that even under conditions of complete freedom from government planning, competition may not prevail as markets are not contestable. Monopoly or some form of oligopoly in the airport network will result, thus distorting the operation of free market conditions. Even if limited competition between airports within particularly close proximity exists with each aspiring to run local airports, the likelihood is that such competition will in itself result in unco-ordinated effort and a waste of resources. Whitbread considers that either possibility will not detract from rational development as, on the one hand, monopoly powers could be constrained by the mere possibility of entry of others into the industry or by government regulation and, on the other, local competition only becomes wasteful if expectations are seriously out of line with the realisation of revenue. Nevertheless, it is suggested that neither the rigid planning form of airport strategy nor the competitive pricing model has a monopoly of advantages. (9) At one extreme, methodological problems are compounded by the lack of flexibility in responding to change and attempts to devolve responsibility to regional and local levels may only prove to undermine the whole concept of planning to achieve national objectives. At the other end of the scale, competitive pricing may prove only to reinforce the tendency towards concentration which is implied by the economic characteristics of airport development, thereby detracting from rational development and the efficient allocation of scarce resources.

Sealy maintains that some element of planning is essential to the assessment of national and regional needs and that a mix of public and private ownership could well ensure that local as well as national needs are met. He, therefore, supports an airport strategy based upon

sub-variants of the two fairly extreme models. (10)

In essence, UK airport strategies have fluctuated between the laissez-faire and the "rigid planning" approach, although a flexibility of approach tending towards the "hybrid" has been the keynote of planning strategies. It is argued that under such a regime, attempts at the national planning of airport capacity have not been a determining factor in the evolution of change at Manchester Airport. In the absence of direction from above, local initiatives have assumed greater significance, maximising the advantages of a natural extended catchment area.

(a) The Period up to 1945

Towards the end of the First World War, in anticipation of the start of civil aviation, some consideration was given to the question of civil aerodrome policy and the possible role of the State. The Civil Aerial Transport Committee, which addressed the issue in 1917-18 as part of a broad examination of the peace time shape of aviation, concluded that state ownership of aerodromes was unnecessary. The main concern was with regulatory matters and the need for protection from possible injury or abuse. Licencing powers in the hands of central government were deemed sufficient for this purpose. Very little attention was given to the means of actually encouraging aerodrome provision, the implication being that a national policy was unnecessary.

Whilst the Committee collectively concluded that the State should fulfill a purely regulatory function, there were dissenters within its ranks. For example, Frank Pick, who was later to play an important role in the development of London transport, believed that state support for this "promising infant industry" was essential and, therefore, advocated that the state ownership of aerodromes "should be extended liberally beyond bare war-like or strategic requirements."

(11)

Under the Air Navigation Regulations 1919, covering the control of civil flying in the UK, a number of aerodromes were appointed for civil use, while a second list designated aerodromes which could be used in an emergency. The Air Ministry's Department of Civil Aviation produced a plan showing an envisaged air route system radiating from the newly designated customs airport at Hounslow, just east of the present London Heathrow Airport. (12) As to the possible methods of control of

airports on the route network three were considered including direct government ownership, municipal management or the use of a "chartered company" with a government voice supported by public funds. Frederick Sykes, the first Controller-General of Civil Aviation, personally favoured the second option on the grounds that the municipalities would become "alive to the fact that ultimately an aerodrome will be as necessary to a modern town as a railway station"; they would have a greater regard for the public interest than private firms and they would be in a better position than the Ministry to make the aerodromes successful concerns. (13)

Comprehensive proposals were passed to the Civil Aviation Advisory Committee which reported in favour of the idea justifying state ownership as a means of protecting the operation of "sensitive governmental services" and preventing aviation combines securing a monopoly of national assets. The need for two national aerodromes was identified with eight others located in key positions. The Association of Municipal Corporations supported the concept of the involvement of agencies of the state in the provision of aerodromes suggesting that local authorities be given both powers "to own aerodromes and compulsorily to acquire sites". (14)

Ultimately, Section 8 of the Air Navigation Act of 1920 embodied an important point of principle that any local authority with the consent of the Air Council should have powers to establish and maintain aerodromes and to acquire land for this purpose by agreement. Local authorities desirous of establishing an aerodrome did not require the consent of the Minister of Health if land set aside was already in the possession of an authority. The Manchester Corporation utilised such powers in establishing the Barton Aerodrome in 1930 on land owned by the Cleansing Committee. However, the Act also stipulated that land acquired for aerodrome purposes did not necessarily have to fall within the area of the local authority and again this clause was important to the establishment of the Ringway Airport, which was in large part outside the City boundary. The Air Navigation Act laid the foundation for a fundamental departure from established practice in Europe where the general rule was for the State to own aerodromes directly. The only exceptions to this general rule were to be found in Germany and in one or two cases in Switzerland which empowered local authorities to establish and maintain aerodromes. However, there was some formidable

opposition ranged against the aerodrome scheme. For example, the Treasury made no objection to the sale of aerodromes to local authorities, but did

"not understand on what ground it is considered that the ownership by local authorities rather than by private persons or companies would be advantageous to the general public or to the RAF." (15)

With the apparent demise of the UK's first attempt at the national planning of airports, Frederick Sykes resigned in June 1922. Sefton Brancker, assuming official responsibility for civil aviation policy, again turned to the local authorities for support and in October 1928, the Town Clerks of all municipalities with populations of 10,000 or more received a circular on the urgent need to establish aerodromes. A year later a national conference on the "Necessity of Municipal Airports" attracted 350 representatives of Local Government. In 1930, the Public Works Facilities Act extended compulsory purchase powers to the local authorities for several purposes, including the provision of aerodromes, a power which had first been requested on behalf of the local authorities ten years earlier. (16)

Whilst local authorities were empowered to provide aerodromes, still little attention was given to the means of actually encouraging their location at appropriate sites, and the early 1930s were characterised by continued efforts to urge the Ministry to undertake a systematic survey of aerodrome sites, on the grounds that air traffic could not be expected to build up until a network was completed. A report of the Superintendent of the Board of Railway Air Services published in October 1934, highlighted the haphazard selection of sites which fell short of a national policy:

"The Air Ministry up to the present has assisted Municipalities only in advising them when requested, on details to which their attention has been directed. A lack of guidance on matters of general policy has resulted in some cases in aerodromes being constructed in key positions which are not capable of development, and in other cases first class aerodromes have been laid down in districts which are commercially unsuitable for inclusion in any main airline route. It is submitted that the Government or some responsible body should make surveys of the United Kingdom and main industrial areas, in conjunction with Railway Air Services and the railway organisation, with a view to indicating where with advantage, main line routes could be operated." (17)

Despite the mounting pressure from within the industry that central government involvement should be stepped up, F C Skelmerdine, who took over as Director of Civil Aviation on Brancker's death, remained highly

sceptical about the demand for internal air services and was cautious about the development of aerodromes. He took the view that the independence of local authorities should be respected that is, they should not be given the impression that sites would be selected against their wishes. The Minister was also concerned about the possibility of being open to criticism if the establishment of an aerodrome was urged which might later prove to be of little use. The "arm's length" approach thus extended to the preliminary selection of sites, restricting Ministry activities to the licensing of aerodromes from purely an aviation safety point of view. (18)

Despite the Ministry attitudes, central government continued to display some concern about the development of civil aviation, as suggested by the appointment in July 1935, of a committee to advise on "The Development of Civil Aviation in the United Kingdom" under the chairmanship of Brigadier-General Sir Henry Maybury. Specifically, the Maybury Committee was to consider and report upon measures which might be adopted by H M Government or by Local Authorities for assisting in the promotion of civil aviation in the United Kingdom and their probable cost. The report presented on 9 December 1936, came closest in its reasoning to a national master plan with a proposed "system of airports" based on a centrally located "junction airport". A lot of publicity was given to the Maybury junction scheme which was expected to be centred on the new Manchester Airport which was being prepared at Ringway. Prior to the outbreak of war when proposals had to be postponed indefinitely evidence suggests that the Committee had to a limited degree influenced the Department of Civil Aviation's appraisal of schemes. Preston, for example, was advised in 1938, that in the light of Maybury recommendations there was no need for a large aerodrome in the location proposed. (19)

In summary then, the inter-war years generally recorded the defeat of a group of officials in Central Government who had wished to extend the domain of Government into this new area. Whilst the general lack of policy initiative reflected a tendency towards the laissez-faire approach to airport strategy, the novelty of civil aviation and its manifest needs as an infant industry suggested the need to go further in the direction of state intervention. Although a national plan had emerged which was shaped by loose notions of "key places" and "chains of routes", the responsibility for developing aerodromes was declined

by Central Government and passed down the line to local authorities and to private enterprise, as had been originally intended in 1918. The pattern of municipal airport provision which was created between 1929 and 1939, therefore, was the result of a rather fortuitous interaction between a series of successful local initiatives and the response of Central Government. Basically, the Air Ministry had found no place for the clear, indicative planning of the airport system and abdicated the responsibility for development of airport facilities on rational and economic lines. (20)

With the outbreak of war, requisitioning plans for aerodromes were activated. Clearly, for some years past local authorities had been urged by the Government to provide aerodromes which were desirable partly to encourage civil aviation in peace time and partly because they would provide an asset to the Government in times of war. Section 7 of the Air Navigation Act 1920 had provided that, in the event of war or of great national emergency, the Secretary of State could by Order, inter-alia, provide for taking possession of and using for the purposes of the naval, military or air forces any aerodrome or landing ground, with the further provision that any person who suffered any direct injury or loss owing to the operation of such an Order should be entitled to compensation from the Secretary of State. Under these powers, most of the major pre-war provincial airports including the then Manchester Airport, Barton, along with airports in Liverpool, Glasgow, Bristol, Exeter, Weston-Super-Mare, Doncaster, and Birmingham, for example, were managed and operated by either the Air Ministry (RAF Branch) or the Air Ministry, Department of Civil Aviation.

Throughout the war years, the Ringway Airport was the centre of a number of activities which in total made a significant contribution to the war effort. In fact, the origins of many of the war-time activities at Ringway lay in the years immediately preceding the outbreak of war. For example, the provision of facilities for the assembly and testing of aircraft manufactured elsewhere had already been long established by 1939. The need for facilities had arisen because of the difficulty in meeting the requirements of the Air Force Expansion Programme. Initially, the Fairey Aviation Co Limited were accommodated at Ringway in two hangars erected on 4.33 acres of land but with the re-armament programme increased production at the Fairey Heaton Chapel factory was required, involving more assembly and test

facilities occupying a further 16.6 acres and 5.5 acres of land in separate locations. By the cessation of hostilities, Faireys were occupying six hangars at Ringway for the assembly of aircraft, four of which had been erected by the Ministry of Aircraft Production under an agency agreement with the company. (21)

Faireys was not the only firm to be involved in aircraft assembly and test at Ringway. A V Roe and Co Limited also made Ringway the centre of its Experimental Department in the war years and given the number of aircraft pouring in from factories in the area and the need for pilots to deliver them, Ringway also became a base for the Air Transport Auxiliary or "Ferry Pilots' Pool". This organisation had responsibility for the ferrying of aircraft on behalf of the Royal Navy and the RAF. The No 14 Ferry Pilot's Pool, as it became known in July 1941, was to become one of the largest in the country using a wide variety of aircraft, "Hudsons" being most predominant. Other organisations based at Ringway at some point in time in the war years included the Volunteer Reserve, No 613 (East Lancashire [City of Manchester]) Auxiliary Air Force Squadron. Facilities were also provided for the training of Britain's Airborne Forces. (22)

Prior to the outbreak of war, provision for accommodating the needs of military aircraft manufacturers at both the Barton and Ringway Airports had been primarily the same, based on the principle of the Air Ministry entering into lease agreements with the Corporation. However, whilst the Barton Airport, along with other installations across the country, were requisitioned, the Ringway Airport was not and the municipality remained responsible for the general administration and operation of the facility throughout the duration of hostilities, with lease agreements being drawn up with the relevant government departments to cover the accommodation of land and premises. (23)

In accounting for the institution of different arrangements at two airports in close proximity owned by the same local authority, records suggest that uncertainty surrounded the whole question of requisitioning. A communication between R H Adcock, the Town Clerk, to Councillor L W Biggs, on 14 September 1939, refers to the recent assumption of Ministry control of the Barton Airport, but at the same time, suggests that information as to whether Ringway was likely to be requisitioned was lacking. A further communication between the Airport Manager and the City Treasurer dated 5 October 1939, stated that the

relationship between the Air Ministry and the Corporation regarding the war-time use of Ringway was "somewhat obscure". (24) Evidence at least suggests that the Corporation was not convinced of the merits of requisitioning at the time. On 6 November, the Airport Manager informed the Town Clerk that to all intents and purposes Barton was being conducted as an Air Ministry aerodrome having been taken out of the existing organisation of the Airport Department. Thus all requirements by way of stores, materials, etc, for administration and maintenance had to be obtained or sanctioned through the machinery of a Government department, a system which resulted in "delays and additional expense". The Airport Manager urged that the Air Ministry should reconsider the position and allow the Corporation to co-operate in the administration and maintenance of the Airport. As late as December 1939, the Town Clerk wrote to the Director of Home Civil Aviation,

"In view of the fact that this station has already been let by the Corporation to the Air Ministry I do not understand why it should be necessary to requisition it from the Corporation." (25)

Despite the local rejection of the policy of requisitioning it does however seem likely that given the national emergency, had central government felt the requisitioning of Ringway to be imperative it would have been difficult for the Manchester Corporation to resist. In fact, it seems quite plausible that when requisitioning plans were being laid in the mid 1930s, Barton - having been known as the Manchester Airport for some years - was ear-marked because little was then known of the superior facilities which were to be established at Ringway.

In any event, Manchester Corporation's priority during war-time was to ensure that the provision of facilities would not impinge upon the primary civil role of the airport after the cessation of hostilities and unlike experience elsewhere corporation management continued to influence decisions as to the siting of buildings and their professional skills were marshalled in both design and construction. Whereas there were instances of misuse by the Ministry of those parts of aerodromes which they had requisitioned - sometimes erecting buildings upon sites which were inconvenient or dangerous as in the case of Birmingham where buildings were erected over a sewer - in maintaining control of its airport, the Manchester Corporation ensured that at every juncture of development full consideration was given to

the fact that at some point in time, hostilities would cease and the Airport should then be in a condition to resume its pre-war role of providing facilities for civil air transport. (26) The unusual nature of arrangements at Manchester Airport was implied in a communication from the Air Ministry during the period which suggests "The circumstances at Ringway are unique and there is not other case of a RAF station being built by a City Corporation."

(b) The Post War Period

Following the cessation of hostilities in 1945, the Government announced plans for the State ownership and operation of all aerodromes to be used for scheduled air services in "British Air Services", Cmd 6712. Airports which had been requisitioned for war purposes were to remain under requisition, with powers being transferred from the Air Ministry to the Ministry of Civil Aviation. As regards airports which for one reason or another had not been requisitioned, outright purchase from the owners was to be arranged. (27)

As a result of the nationalisation plans, it became necessary to consider a programme of existing aerodromes which were likely to fit into the expected pattern of air services. The plan devised in 1947 listing approximately 40 aerodromes for acquisition came close to the "rigid plan" model although it contained certain anomalies. For example, four airports were ear-marked for acquisition in Lancashire and Yorkshire; in the East Midlands two airports in close proximity were proposed for takeover but in East Anglia no provision for scheduled service airports was made at all. (28)

In respect of Manchester's Ringway Airport, the fact that it had not been requisitioned in war-time was of significance when it came to implementing the Government's plans for State acquisition. Although the airport could have been acquired under legislation existing at the time, the Director of Home Civil Aviation deemed it more prudent to await the passing of the new Civil Aviation Bill to the Statute Book before taking the necessary steps for acquisition. Thus, whilst other airports passed from requisition to nationalisation with ease, for Ringway there was an intervening period when the aerodrome operated as a licensed aerodrome not officially under Ministry control. In coping with the intervening period, two alternatives presented themselves. Either the Ministry could have stepped in to manage the aerodrome on behalf of the Corporation, with the whole of the aerodrome being leased

as a temporary expedient, or the Corporation could continue to discharge its full responsibilities. The Airport Committee expressed a preference to manage the Airport in the interim, but went further in asserting that if the nationalisation bill became law and Ringway became an aerodrome officially ear-marked for State acquisition there should be some machinery for delegating administration back to the Municipality. (29)

From an examination of records of negotiations between representatives of the Corporation and of the Ministry, it seems that within the Ministry itself there were misgivings about the management of aerodromes by the agents of Central Government. For example, at a meeting between representatives of the Ministry of Civil Aviation, Manchester Corporation and the Manchester Chamber of Commerce, held in June 1945, prior to the issue of "British Air Services" Lord Swinton, the then Minister, expressed significant doubts regarding the Government's plans. In his view, the Municipalities had done "fine pioneer work" in the past in developing airports "often at considerable expense" and he was supportive of the involvement of local authorities and local people in the detailed administration of airports. The Manchester Corporation held a similar view and at a conference between representatives of the Corporation and Lord Pakenham, the newly appointed Minister of Civil Aviation, held at the House of Lords on 13 June 1950, a scheme for the continued municipal ownership and control of Manchester Airport - the details of which were known to fewer than six people in the Corporation - was put forward. In essence, the proposals involved the Corporation retaining ownership subject to certain capital works, already having been carried out at the expense of the State, being transferred to the local authority without charge; the cost of future capital works was to be borne by the Corporation with substantial grants from Central Government and finally the Corporation was to bear all recurrent expenditure including runway and other maintenance and to retain all income accruing. (30)

These proposals were unique in the history of UK airports because at no prior time had arrangements been instituted whereby local agencies were left virtually free to manage and promote airport development providing facilities deemed necessary to satisfy local demand, with the formal commitment from central government to provide substantial financial assistance towards capital development, thereby easing the

burden of airport development carried by the local community. In this sense, for Manchester Airport an analogy may be drawn with arrangements for the provision of roads where local expenditures were supported by grants made from the Road Fund. The Corporation was successful in convincing the Ministry

"that the municipality situated beside its own aerodrome would take a very keen local interest in running the aerodrome and might do it more satisfactorily, and certainly better from the public relations aspect, than the Government doing it more remotely." (31)

With the general acceptance of the Manchester Corporation's proposals, the "rigid plan" envisaged three years earlier had been effectively broken, and between 1950 and 1955 the policy of centralisation was increasingly eroded in that although the Ministry of Transport and Civil Aviation acquired two additional airports it surrendered six. (32) The trend towards de-centralisation was probably underpinned by a number of factors, not least being a change in Government in 1952. The new Conservative Government, in policy statements regarding the participation of local authorities in the running of airports, suggested a willingness to consider such involvement. However, whilst central government may have been more willing to relinquish responsibility for aerodrome provision, certain local authorities proved unwilling to accept this. For example, offers based on the Manchester principles were made to both the Liverpool and Birmingham City Councils in the 1950s but they were turned down. At a meeting of the Liverpool City Council on 29 April 1953 - the same day that the Manchester City Council had decided the fate of Ringway - three possible alternatives regarding the future of Speke Airport were presented. The Airport could be purchased by the Ministry of Civil Aviation at a cost of £250,000 (against a previous capital expenditure by the Corporation of £129,000); the airport could be taken back by the Corporation with assets being transferred free of charge and capital expenditure being shared by the Corporation and the Ministry, or finally the status quo could prevail whereby the Ministry of Civil Aviation could continue to run the Airport under its requisition powers, paying its compensation rent to the Corporation. No firm recommendation was made as to the most expeditious course of action, but the closing words of the report to the Council set the tenor of the debate, "The Committee will no doubt bear in mind that two attempts in the post-war period to operate a London service have proven

unsuccessful from the Operator's point of view." This implied that additional income from new services would not significantly reduce the deficit on the rates because the public had not used services which had operated successfully in the pre-war period. At the end of the day, the Council decided for the status quo and the terms for the return of the airport to City control were declined. (33)

The early post-war experience of traffic throughput at Speke may provide some justification for the Council's reluctance to assume control, although the decision may also have represented an opportunity missed engendered by a lack of municipal foresight. Certainly, developments at Ringway had been indirectly affecting Speke for some time and by and large the airport had been taking the lion's share of the air traffic of the north. An article in the "Liverpool Post" published as early as May 1947, had referred to the by-passing of Liverpool by airlines like KLM, Air France and Aer Lingus. The writer referred to his attendance at the inauguration of the regular service by KLM between Amsterdam, Manchester and Dublin and commented that high officials had suggested a sympathy for Liverpool, but a preference for Manchester which was the more desirable airport, being capable of expansion. In accounting for Liverpool's relative decline, the writer looked towards central government, maintaining that it was becoming increasingly evident that a "great dis-service" had been done when Speke was taken over as a State airfield. The writer speculated that if the airport had remained municipally controlled the City Council and the Chamber of Commerce would at least have been able to display civic enterprise in presenting its claims to continental companies:

"Manchester unfettered by bureaucracy has taken its chance with both hands, and, under energetic municipal leadership, is planning to make Ringway even more attractive to foreign companies. It now seems Liverpool must sit back and wait for the so far, meagre crumbs thrown out to it by British European Airways, who can only promise a continental service in the "project stage." (34)

In accounting for the Liverpool City Council's decision not to resume airport ownership, it is also important to note the significant influence of war-time arrangements. From the first suggestion of Ministry control at Manchester, the City had gained advantage from the wealth of experience which had been built up during the period of continued municipal control in war-time. Officials and elected representatives of the City Council had played an active and often a

leading part in the determination of the airport's future. Any development project envisaged by Central Government during the War had been subjected to the closest scrutiny of the City and had often been executed by Corporation Departments. In contrast officers like the City Engineer at Liverpool had quickly found their services superfluous as the Air Ministry's Works Department executed projects or nominated civil contractors to act on their behalf. Having been divorced for so long from the day to day running of the airport, by 1953, the Liverpool Airport had probably become so remote from the Corporation that to resurrect municipal interest and pride in it was a virtual impossibility.

In every respect, the agreement between the Corporation and the Ministry finalised in 1955 was exhaustive. The newly named Manchester Airport was to remain under the ownership of the Manchester Corporation which was to be responsible entirely for its development, management and operation. The Corporation had to undertake to use the assets transferred as an aerodrome licensed for public use and activities ancillary to this purpose. Management could only be by the Corporation and not exercised through a third party; although land and buildings could be leased or let, the Corporation had to retain control. The airport was to be managed "efficiently, fairly and impartially" in the interest of all users, although policy was to be directed towards facilitating the operation of scheduled air services. In addition, the Corporation was to be responsible for ensuring the provision of all services needed for the efficient operation of the airport for international air services, including fire, rescue, snow clearance and aerodrome lighting services. For its part, the State was to provide, operate and maintain air traffic control, aviation, radio and telecommunications services and aids to navigation, meteorological and briefing services considered necessary by the Minister. The Corporation were obliged to provide and maintain free of charge to the State, accommodation required for discharging these services. (35)

The agreement was to stand for a period of 21 years, but the Ministry retained the option to purchase the airport at some future date. Basically, the agreement could be ended by the mutual decision of the Ministry and the Corporation; by the unilateral action of the Minister if after reasonable notice the Corporation persisted in breaching any of the terms and conditions which applied in the

agreement and finally the agreement could be terminated by the Minister, giving six months notice if this were deemed "necessary in the public interest". This last clause was to be most contentious as its ambiguity allowed for virtually any interpretation of the "public interest". However, the Corporation protected its investment through an exchange of correspondence in which it was firmly established that the fact that the ownership and operation of the airport was, or was likely to become a profitable undertaking would not be regarded as a factor to be taken into account in determining the requirements of the public interest. Basically only two events could be contemplated by the clause, either a state of emergency or the Corporation failing in its obligations. (36)

Having spent some five years in negotiation, the question of the future ownership of Ringway had been settled, whilst at many other provincial airports the state of limbo which was requisition/nationalisation continued into the next decade. On 31 March 1955, F N Hillier, Secretary-General of the Air League of the British Empire, wrote to Philip Dingle, the Town Clerk referring to a statement made by the Minister of Civil Aviation, in reply to a question in the House of Commons the previous day that "Manchester Airport has established its position as one of the most important aerodromes of this country". He also referred to the Town Clerk's "hard struggle" to get the aerodrome recognised at all and commented "I could not forbear a smile, but you must be very happy to see your efforts come to fruition". (37) In effect, confirmation of the validity of the decision to continue with municipal ownership was given in a Report of the Select Committee on Estimates, Session 1955-6 entitled "Civil Aerodromes and Ground Services". This Report commented on the fact that as a result of the efforts of the Corporation, the increase in traffic at Manchester Airport had been considerably greater than the increases at aerodromes owned by the Ministry. The Committee also referred to the fact that in 1952, the Ministry had considered Ringway would only be used by continental traffic but that the Corporation had thought otherwise and as a result of their initiative, the airport served long haul inter-continental services as well. (38)

Thus it is suggested that continued municipal ownership at Manchester Airport provided an impetus to growth and development which was lacking at other major provincial airports which were managed by

the Ministry in the early post-war years. Although receiving relatively equal handed treatment in the provision of new facilities, it is argued that Ministerial bureaucracy ensured that no new facility was provided until the need for it had been "demonstrated in triplicate" which had a stifling effect on innovation and development. Equally stifling was the inability of civil servants charged with the day-to-day running of airports to become involved in attracting new traffic, promoting the use of existing facilities or publicising any airport in anything but the most guarded terms, for fear of being seen to favour one airport or operation or service over another. (39)

As the central responsibility for the running of aerodromes became more onerous, the general trend towards de-centralisation of ownership of provincial airports became enshrined in government policy. Following the publication of a White Paper in 1961, "Civil Aerodromes and Air Navigational Services", Cmnd 1457, the Government took positive steps to sell its airports to local authorities in the hope of achieving a more commercial approach to their operation. This policy effectively set the pattern for the individual planning of provincial airports with little regard for development at neighbouring airports, however close. (40) As the planning function became de-centralised at the same time, the Government effectively rejected any suggestion of support. In handing airports back to local authority control in the 1960s, the terms offered were frequently less favourable than those which had been agreed with the Manchester Corporation in 1955. For example, in the case of Liverpool's Speke Airport, there was no suggestion of Ministry support for capital development. (41)

Fundamental to the likely future development of the network of UK airports was the basic assumption that whilst the cornerstones of the development of provincial airports were to be de-centralisation of ownership and little or no co-ordination, those airports deemed to fulfill an international role, (especially the London group of airports and the international airport at Prestwick in Scotland) became exceptions in the trend towards drift. Essentially, the "rigid plan" of the immediate post-war years gave way to a hybrid where both centralisation and the laissez-faire approach existed side by side. The 1961 White Paper had stated "an Airport Authority should be set up to own and manage the main international airports now owned by the State" and to "plan, build and manage any new airports eventually

required". The Select Committee on Estimates in its 5th Report in 1961 had made the case for putting the London group of airports in the hands of an independent authority. British European Airways had been influential in this respect, suggesting that

"an airport is potentially a keenly commercial undertaking and for this reason should be run on commercial business lines. A Civil Service approach is often quite inappropriate." (42)

Introducing the Airports Authority bill in November 1964, the Minister of Aviation, the Right Honourable Roy Jenkins, MP, suggested that the main benefits of the transfer of ownership and management to an independent authority included the ability to reach and carry out decisions more quickly, providing the more efficient and economical management of airports, "the Authority would be able to deal in a more flexible, adaptable and rapid manner with essentially commercial problems and situations". It was also suggested that the four airports could be more closely co-ordinated to meet the changing patterns of traffic. (43)

In providing for the setting up of the British Airports Authority, the Government was recognising the advantages of common ownership for the main UK airports only, whilst leaving the fate of other aerodromes in the hands of local government with the proviso that if local authorities were successful in their efforts to develop airports in their areas, ownership structures could be altered at some future date. Sections 2(3) and 2(4) of the Airports Authority Act suggested this possibility in stating the functions of the Authority:

"2(3) The Authority shall have power to do anything which is calculated to facilitate the discharge of its duty under this Act.

2(4) Without prejudice to the generality of the last foregoing subsection, the Authority may provide, or acquire, or assume the management of any aerodrome in Great Britain in addition to those transferred to the Authority under this Act, but the Authority shall not exercise the powers described in this sub-section without the consent in writing of the Minister." (44)

The common ownership, under the public corporation of the BAA from 1 April 1966, of the state's principal international gateway airports at Heathrow, Gatwick, Stansted and Prestwick reinforced the continued domination of London in the British air transport system, which had been the outcome of a previously vacillating policy. The second group of regional airports including Aberdeen, Belfast, Blackpool, Bournemouth, Cardiff, Edinburgh and Glasgow which continued to be the

responsibility of local authorities was essentially relegated to a position of secondary importance. Therefore, the airport network which emerged by the end of the 1960s tended towards a feeder/hub system with traffic concentrating onto domestic trunk services to and from Heathrow allowing airlines to justify acceptable frequencies at acceptable load factors and, therefore, at attractive fares to passengers. At the same time the hub airport had a near monopoly of international air services promoting a wider range of services than could have been justified by the airport's local traffic catchment area alone. This basic feeder/hub system had led to a very clearly defined spatial pattern of airports. Within a radius of 75 miles from London, international travellers from the provinces transferred to the London airport system via surface transport. Thus the hub airport was effectively surrounded by a wide catchment area in which interlining traffic was sterilised. Beyond the 75 mile radius interlining became more preferable. (45) Anomalies in the airport system both geographically and financially emerged and the distribution of UK airports in terms of their size became increasingly lop-sided. In analysing this distribution Masefield adopted seven airport categories:

- (1) Major international airports capable of handling the largest commercial aircraft on an all year round basis, with full customs, immigration and catering services and at least two runways, one not less than 2,500 metres long for landing and the other not less than 3,750 metres for take-off;
- (2) As (1) above, but with one runway not less than 3,050 metres long;
- (3) Airports handling medium and short-haul international and domestic services on an all year round basis, similar to (2) above but with one runway not less than 2,250 metres;
- (4) Airports handling seasonal international charter and domestic scheduled services with a runway not less than 2,250 metres;
- (5) Airports handling occasional charter services, business and training operations with a runway not less than 2,000 metres long;
- (6) Airports handling short charter and domestic services and all aspects of general aviation with a runway of 1,600 metres;
- (7) General aviation and STOL (Short Take Off and Land) airports.

By the end of the 1960s, only one airport in the UK fell into the

first category, two in the second, seven in the categories three and four and 44 airports were combined in categories five to seven. (46)

As increasingly it was held that even the policy of the 1960s had implied no underlying strategy, pleas for a return to more closely defined planning were made. Professor Rigas Doganis, in a Fabian Tract in 1967, deplored the fact that so much airport planning had been conducted at a local level without much regard for what had occurred, or was planned in adjacent areas. The author concluded that some form of national plan was needed with an administration designed to operate it efficiently. In terms of the practical task of formulating a plan and carrying it out, Professor Doganis outlined the need to base the plan on a sound knowledge of both the demand for and the supply of air transport services, together with the need to rationalise the results with other regional demands. Two suggestions for an administrative structure based upon the relative merits of the Federal Aviation Authority plan operated in the USA were put forward. The first left virtually every vital issue in the hands of the authority, whilst the second made some concessions to regional bodies by granting them the administration of airports, albeit within guidelines laid down from above. (47) The Joint Airport Committee of Local Authorities (which had been set up in 1966 by the Association of Municipal Corporations, the County Councils Association, the Urban District Councils Association and the Scottish Association of Local Authorities as a forum for the discussion of matters of civil aviation concerning local authorities owning and/or operating airports) suggested that despite the absence of any firm plan, many airports had grown as a result of the potential within their catchment areas. The Committee, therefore, also favoured the philosophy of a central body making a study of the existing pattern of airports, especially those situated in the conurbations, with a view to ascertaining their future potential. JACOLA argued that it seemed more sensible to encourage the development of certain existing airports rather than to continue the indiscriminate growth of new ones and the indeterminate development of others. (48)

Continued concern for the future development of the industry as a whole led to the commissioning of a Committee of Inquiry into Civil Air Transport under the Chairmanship of Professor Sir Ronald Edwards, KBE, which reported in 1969 in "British Air Transport in the Seventies". Ostensibly, the Committee's terms of reference were to

"inquire into the economic and financial situation and prospects of the British civil air transport industry and into the methods of regulating competition and of licensing currently employed; and to propose, with due attention to other forms of transport in this country, what changes may be desirable to enable the industry to make its full contribution to the development of the economy and to the service and safety of the travelling public."

These terms of reference did not specifically include consideration of the airport network; nonetheless it was held that "no matter who owns, develops, plans and operates airports they are bound up with the operator and the development of services". Therefore, it was impossible to consider the prospects for the British civil air transport industry without taking at least peripheral account of infrastructure. (49)

In its evidence to the Committee the BAA proposed that an authority responsible for airport planning should consider the designation of airports under four heads to provide adequately for the bringing of air services to the major centres of population; to advance the concept of regional plans; to make possible the development of a viable network of air services based upon the designated airports; and to ensure that airports were properly administered in an economic pattern to benefit the UK's trade and commerce as a whole. (The four airport categories suggested were major international and domestic airports; airports for continental and domestic services; airports for scheduled domestic operations and seasonal international services and aerodromes for non-scheduled supplemental services and for general aviation). Under the BAA proposals major international airports would have served London, Manchester and Glasgow. (50)

In considering the possibilities of airport planning, the Edwards Committee concluded that no government had developed a positive policy for development and that what policy there had been had almost invariably been negative. It was suggested that more research on airport planning was required and that this research should be closely co-ordinated with other planning aspects of civil aviation. The Committee, therefore, advocated that a single body should be responsible for certain aspects of airline regulation and for research upon which airport plans could be based. As far as airport ownership is concerned it was held that planning initiative would not necessarily be undermined by continued de-centralisation. However, the Committee referred also to the possibility that the pattern of ownership at

Manchester and Glasgow in particular, might be modified by transfer to the British Airports Authority. (51)

This very tentative suggestion called forth significant opposition especially in Manchester and among other JACOLA members. The City of Manchester accepted in principle that the diversion of traffic to Manchester from Heathrow and Gatwick, which was justified on economic grounds alone, could perhaps be facilitated if all three airports were placed under the same controlling authority. However, it was argued that outside the UK there was no evidence to support the suggestion of possible merit in all major international airports becoming the ultimate responsibility of the BAA. No precedent had been established in either the USA or Europe and the general pattern emerging had been for the states concerned to leave airports in the ownership and control of local committees. It was likely that interested parties in the North may have felt that they would be better served by allowing Manchester Airport to continue under Corporation ownership, with airlines being persuaded at the local level that it would be in their best interests to transfer more air services to Manchester. Continued municipal management was supported by a comparison of the financial results of Manchester and Gatwick for the year 1967-8. Whilst Gatwick had operated at a deficit of £537,000, Manchester had recorded a surplus of £373,000 and the contrast was reinforced when considered in the light of the wide disparity in air traffic statistics. (52)

The Edwards Committee was criticised on the grounds that whilst making this tentative suggestion, it had been stated at the same time:

"We are not proposing to make any pronouncements on the actual operation of airports and air traffic control services. We have not studied the problems of either in any depth. This would have been a major assignment in itself."

Given the references in paragraphs 905 and 907 of the Edwards Report, to the efficient operation of airports by local authorities, the City of Manchester speculated that the Committee had been unduly influenced by the views of the BAA which had submitted more detailed evidence regarding UK airport requirements than any other organisation representing civil airports. For example, no evidence had been submitted by the Aerodrome Owners' Association. Whilst some merit was obviously seen in common ownership structures to assist national airport planning the local response to suggestions of BAA control demonstrated a fundamental conflict of interest between the national

and local levels of airport operation. (53)

The establishment of the CAA under the Civil Aviation Act, 1971 signalled the first major attempt at rational planning in the strategic sense. (54) Section 33 of the Civil Aviation Act stated that,

"it shall be the duty of the Authority:

(a) to consider what aerodromes are in its opinion likely to be required from time to time in the United Kingdom in addition to or in place of or by way of alteration of existing aerodromes; and (b) to make recommendation to the Secretary of State arising out of its consideration of that matter." (55)

The Authority's role regarding airports was further defined in a Statement of Policy placing on the Authority the responsibility to advise as to the provision and development of aerodromes to match the development of air services and general aviation. However, attempts to get a clear responsibility for airports written into the CAA's constitution were largely unsuccessful in that its jurisdiction was mainly advisory. (56)

The CAA viewed the national airports problem as one of coping with the trends towards both concentration and extension within the airport system. In particular, between the catchment areas of Scotland and Tyne-Tees to the North, the London airports to the South and South East and Bristol and South Wales to the South West lay an area comprising Yorkshire, Lancashire, Lincolnshire and the Midlands where it was felt that inter-regional problems required special attention. The fact that half of the nation's civil air transport movements and 60% of total passengers passed through airports in the London region also suggested the need to consider whether the demand for scheduled and charter services in the North could be best met by a number of regional airports all aspiring to some degree of international status. (57)

Essentially, the philosophy behind the argument for strengthening the role of the regional airports was based on two concepts. Firstly, there was the question of convenience and fuel economy involved in forcing passengers to suffer the inconvenience of interlining at Heathrow, adding perhaps as much as 200 miles to the journey and probably several hours. Secondly, the fact that every passenger routed through the London airports unnecessarily to a foreign destination contributed four movements to the London Airport statistics had to be considered. (58)

On the one hand, it was accepted that the trend towards

concentration would continue to be a fundamental characteristic of airport development, that is irrespective of how fully direct international services developed at the provinces, there would always be a sizeable number of destinations served by Heathrow which could not be economically served by any other UK airport. However, the CAA also recognised that essentially by the early 1970s the feeder and single hub system which had developed in the previous decade was already showing signs of breaking up through the extension of the airport system. For example, at all provincial airports cross-country domestic services had been developed together with at least a modest network of international services both scheduled and non-scheduled. The introduction of direct international air services from provincial airports was regarded as a very significant development, suggesting that, with all its virtues, the feeder/single hub system had provided the provincial traveller with a less than adequate service to continental destinations. The trend towards a larger proportion of direct international air services at the regional airports was regarded as a factor which could radically alter market conditions through traffic diversion. It was postulated that a new direct international service from a regional airport diverted three different types of existing traffic - leaving aside the generation of new traffic. Passengers previously interlining at Heathrow could be expected to be diverted. Traffic which would have travelled to Heathrow by rail or road would similarly be diverted. Market conditions within the regions themselves were also expected to change as advantages in time, cost and convenience would appeal to travellers within the catchment area of neighbouring feeder airports in close proximity. Therefore, when one airport offers direct international services not available at neighbouring airports the original boundaries between the catchment areas of feeder airports begin to be eroded, introducing an era of competition between neighbouring airports. (59)

Although for the airlines, pairs of airports in close proximity competing with each other implied the need to set up several operation bases and the division of resources, the CAA nonetheless viewed the competitive relationship as offering a new and possibly more stable equilibrium. The feeder airport with the largest natural catchment area was expected to be the first to introduce any new international service and where the same destination was served by two or more

neighbouring airports, the larger catchment area implied a better frequency of service. Thus the competitive edge would always be with the airport with the larger catchment area and irrespective of what air services were provided by smaller airports, the larger ones would always do better. As regards international air services then, the impression given was one of a competitive struggle between neighbouring airports, with severe pressure being placed on the weaker ones. Given that fierce competition ensured the survival of the strongest, there appeared in the 1970s to be no possibility of uninterrupted growth for those airports which had served a useful purpose in the original feeder/single hub era. In the face of strong forces encouraging the concentration of international scheduled air services at a small number of regional airports, it was argued that the smaller regional airports would inevitably have to look more to the domestic, whole-plane charter and general aviation markets for their survival. (60)

Given that the industry was in this state of transition wherein a small number of regional airports might offer a network of air services, as regards the future function of planning, the CAA favoured sound policies, flexibly applied, rather than the rigid blue-print in which each airport would be allotted a clearly specified role in terms of air services or total traffic volume. (61) Any attempt to produce an ideal network of UK airports was relegated to a secondary position of importance because of the difficulty of accurately predicting air travellers demands in aggregate and the methodological problems involved in attempting to model an optimal airport system on a national scale. Thus, emphasis was placed upon the need for regional studies to identify those airports appropriate for accelerated development. (62)

The immediate concern of the CAA was to deal with the inter-regional problems of the North West, Yorkshire and Humberside, the West Midlands and the East Midlands regions. In the early 1970s the Authority commissioned the Metra Consulting Group "To examine and advise on the desirable future structure of airport system" in these regions. The study was to be wide-ranging including an examination of the scope and costs of future development of existing airports, including physical and environmental factors and commercial viability. In considering any new airport sites, the study was to identify areas of acceptable terrain, meteorological and environmental characteristics for a new airport of the required size. (63) However, publication of

the Metra report in July 1974 along with subsequent consultations and CAA assessment demonstrates a number of problems which were likely to occur in attempting to devise an "ideal" airport system even on a regional scale.

Metra had selected 15 airport systems for detailed analysis and when assessed in terms of aviation interests alone, the consultants found an overwhelming case in favour of concentrating air transport movements into Birmingham and Manchester. This concentration was expected to bring substantial economies to airlines, in stationing and aircraft operating costs resulting in lower fares and/or a rapid increase in frequency and range of air services available. Economies were also expected in airport operation and capital expenditure. In total the benefits to aviation, in comparison with continuing with the existing six airport system were valued at £58 million at 1971 prices discounted to 1975; equivalent to an annual sum of £8 million. On the same basis, the second and third preferred systems involving combinations of Manchester and the East Midlands and Manchester, East Midlands and Birmingham showed benefits of £6.0 million to £6.5 million at 1975 prices. However, in environmental terms, concentration was seen to have significant drawbacks. The possibility of two major airports at Birmingham and Manchester was least attractive in regard to the exposure of residents to aircraft noise. Manchester and Birmingham were estimated to bring a total of 136,000 residents within the 35 NNI contour by 1990. Thus, the Consultants favoured sites in open country. Two different airport systems were favourably considered one combining two new sites, in North Cheshire and in the West Midlands, and another combining the site in North Cheshire with the existing East Midlands Airport. As it was calculated that a general reduction of about 90% in the number of households exposed to noise above the 35 NNI level could be achieved at the cost of about 50% reduction in the benefits to aviation interests, it was recommended that concentration should be supported but at two new rural airports rather than Manchester and Birmingham. (64)

These recommendations received little support from private individuals or environmental organisations in the areas concerned. Similarly, no strong support was forthcoming from national organisations which had in the past made their views known so clearly in respect of proposed development in the South East, for example, the

Maplin Airport project. (65) In accounting for this lack of support it is suggested that at the local level it was probably symptomatic of the lack of consideration given to the positive externalities arising from airport development, such as the creation of employment and the attraction of industry and commerce to areas where airports are located. Nationally, environmental groups had by this time begun to focus on the ecological impact of airport development on green-field and coastal sites.

In essence, the cool reception which was given to the Metra recommendations demonstrates one of the major difficulties in implementing the results of rational airport planning by this time. Even when planning involved the systematic analysis of full costs and benefits it did not follow that the plan could be carried out. At a conference on regional airports in 1975, the Director of Manchester Airport went so far as to suggest that it might be too late to formulate a total plan for regional airports as rationalisation would be likely to meet with great opposition from large sections of the population within the respective airport areas. (66)

The Metra study also demonstrates the difficulties of optimal airport planning even on a regional scale, resulting from the time taken to carry out detailed cost benefit analysis in the context of an industry subject to rapid change. The study had originally been commissioned in 1972 but some 18 months had lapsed before publication of the Consultants' report. Shortly before publication in March 1974, the Government had initiated a review of the Maplin Airport project, which had resulted in a decision not to proceed with proposals to develop the new site. The main conclusions of the review had been that passenger handling capacity required to accommodate forecasts in air traffic up to about 1990 was not dependent upon the development of a new airport at Maplin; the cost of development at Maplin could be substantially greater than the cost of developments necessary at existing London airports to cater for the expected demand and with the introduction of larger and quieter aircraft, it was concluded that the forecasts of noise distribution at the London area airports in 1990 showed a significant improvement over the position anticipated in 1972.

For the CAA the decision not to proceed with Maplin suggested that in the absence of measures to divert traffic from the South East, more traffic from the provinces would be likely to be attracted to the

London area. In addition, the oil crisis of 1973 and its impact on the industry meant that a more pessimistic view about the future growth of air traffic had been taken since the consultants had drawn up their original traffic forecasts. Taken together, the results of the Maplin review and the effect of the downturn in traffic forecasts had a scaling down effect on aviation costs and benefits as originally assessed. Averaging across both charter and scheduled operations, the CAA assessed the benefits to airline profitability at 70% of the original estimates. (67)

The methodological difficulties involved in airport planning were further demonstrated by a fundamental difference between the CAA and Metra regarding the time required to develop green-field sites. The Consultants believed that such a site could be operational within a period of five years. However, the CAA asserted that whilst this time-scale may be appropriate to the development of a small airport, some 10 to 12 years would be required for the procedures involved in consultation, planning and developing a major green-field airport site. Overall, this difference of opinion affected four elements in Metra's analysis. Firstly, there was the consideration of a net increase in capital expenditure due to additional investment required at existing airports which would become abortive when the new airport(s) opened. Increases in airline and airport operational expenditure could also be expected as a result of having to retain the "less efficient" airport system for a longer period. With respect to aircraft noise, postponement was very significant as the nuisance of aircraft noise around city airports would have to be endured for an additional ten years. Because of the time lapse it was likely that when relief finally came there would be a considerable reduction in the noise level of individual aircraft. Thus the ultimate benefit accruing would be much smaller than that which would have applied some seven years earlier.

Metra and CAA also disagreed on the methodology adopted in attaching values to aircraft noise. Basically, the consultants' values were comparable to those used by the Roskill Commission after changes in the value of money and the date to which costs are discounted. The Roskill Commission had assumed that the impact of aircraft noise at new airports would be comparable to that which existed around Gatwick at the time. For the CAA the level of background noise was a significant

factor in noise assessment as aircraft noise tends to become a nuisance only in so far as it stands out over the background noise level. The Roskill Commission had found that the background noise levels around Gatwick were quieter than around Heathrow. The CAA maintained that any comparison between Manchester and Birmingham and Gatwick would probably result in a difference greater than that identified by Roskill, as the surrounding area of both airports contained a much greater admixture of industry than that found in the western suburbs of London. The disruptive effect of aircraft noise was thus not likely to be as serious in areas around Manchester and Birmingham as in rural/residential areas. On this assumption, the CAA estimated that the number of residents exposed to aircraft noise at any given level of NNI could be reduced by 50% of original estimates. (68)

In summary, the modifications made by the CAA affected conclusions in a variety of fundamental ways. In all airport systems the net benefits to aviation in comparison to the existing airport system continuing were substantially reduced. In systems comprising existing airports, the benefits to aviation were reduced by about £10 million. In systems with one or more new airports the downward adjustment was in the region of £30 million, meaning that they compared unfavourably in aviation terms with a continuation of the existing airport system. New airports had to justify themselves in environmental terms if they were to be regarded as an "efficient" solution. However, modifications in respect of aircraft noise had the effect of reducing the relative advantages of systems incorporating new airports. For the consultants these systems had attributed values of £50 million plus, in comparison with retaining the existing system, whilst in the revised analysis the value attributed to environmental advantages of new airports fell to only £15-20 million. On the total assessment after modifications, the systems comprising new airports came at the bottom of the rank order and of systems comprising a mix of existing and new airports only that envisaging the development of North Cheshire and East Midlands ranked in the first seven. In the final analysis the two systems preferred on aviation grounds alone, that is a combination of Manchester and Birmingham or Manchester and East Midlands, turned out to be the most preferred systems overall. (69)

Having modified Metra's analysis to the extent that its major recommendations were virtually overturned the Consultants and the CAA

could only agree on two quite broad points of principle. Firstly, both concurred that support for a policy of concentration into a smaller number of airports offered substantial advantages in securing the wide range of objectives identified by the CAA. Secondly, views concurred regarding the appropriate number of airports to be designated for the region, in that provision of a single airport for the whole region had been rejected on the grounds that although the weight of population and demand pointed towards a site in the North West, such a site would be relatively unattractive to Midlands traffic, which could tend towards a greater diversion of traffic from the Midlands to the London airports. (70)

In selecting the two major airports to serve the region the CAA took account of the existence of pairs of airports in close proximity to each other. In the North West, no serious claim was made to justify the selection of Liverpool as the major regional airport for the area but the North West Regional Economic Planning Council and the Merseyside Chamber of Commerce and Industry suggested that the optimum solution for the North West could be joint ownership of Liverpool and Manchester with traffic being allocated between the two. It was hoped that joint ownership could yield savings in airport capital expenditures; improvements in services provided at Liverpool without reducing standards at Manchester and better financial results in aggregate. (71)

Detailed consideration was given to this suggestion and three different methods of traffic allocation were considered. Firstly, the possibility of dividing scheduled air services to each destination on a roughly equal basis, giving Liverpool a degree of parity with Manchester in short-haul and medium-haul services was considered. The second option was the allocation of all scheduled flights to individual destinations to one or other airport possibly on a geographically sectorized basis. The third possibility considered was that of simply allocating all scheduled and charter operations of British Airways' Regional Division and other scheduled operators to Manchester and allocating whole-plane charters to Liverpool. However, none of these options measured up convincingly to expectations. The first option was rejected on the grounds that it would be costly to the airlines in splitting operations and for the scheduled passenger parallel services would probably have resulted in a poorer frequency at either airport

than would otherwise have been offered at Manchester. This in turn could have led ultimately to greater reliance on international services at the London airports and a lower combined growth than might be achieved at Manchester alone. The second option had fewer drawbacks than parallel operations and represented a fairly economical solution for the airlines in not having to split operations, but it was rejected on the grounds of passenger access and inconvenience. The principle drawback of the final option was that Liverpool business interests would sacrifice limited local scheduled services, although an enhanced range of services was likely at Manchester. (72)

It was concluded that joint operations would not improve aggregate turn-out as any advantage accruing at Liverpool would tend to be at the expense of Manchester. Any material increase in traffic at Liverpool would have required considerable investment in terminal and air traffic control facilities whilst at Manchester there was the danger that joint ownership would result in the under-utilisation of resources. It was, therefore, decided that concentration of international air services at Manchester was the preferred option with Liverpool's airport being designated for services to which it was naturally well suited geographically and economically, that is, domestic and services to Ireland. (73)

In selecting the major airport to serve the Midlands, Birmingham Airport offered greater accessibility to the main centres of population and industry than the East Midlands Airport and although a serious disadvantage was the relatively high population density of the area to the North West, it was expected that with the introduction of quieter jets, noise contours would be extended beyond their existing limits. With Manchester and Birmingham as major airports in the North and South of Central England, it was felt that the region would have a fairly well defined traffic catchment area with respect to short-haul scheduled traffic, in that both airports could develop an effective network of services. With respect to long-haul traffic at the time there were no direct long-haul scheduled services operating from either Manchester or Birmingham, but with a runway longer than 9,000 feet Manchester had the capability of operating these services. Whilst indirect long-haul services had already been established at Manchester, previous experience at Birmingham had been disappointing and there seemed to be no enthusiasm for repeating the experiment, therefore, the

CAA favoured concentration of long-haul services at Manchester. (74)

As far as other airports in the region are concerned, those at Liverpool, Leeds/Bradford and Blackpool were to continue to cater for domestic, short-haul and medium-haul whole-plane charters and international scheduled traffic to destinations for which traffic at Manchester had become adequately established. The East Midlands Airport was to provide a similar complementary role to Birmingham, with the proviso that joint services calling at East Midlands and Birmingham should be encouraged until fully viable services could be operated from both separately. It was recommended that with respect to international scheduled service licenses, they should not normally be granted until traffic levels at Manchester and Birmingham had reached a level at which additional traffic would produce diminishing further economies. Thus a measure of protection of international services was proposed until such times as they were sufficiently well established and profitable to withstand competition from parallel services from smaller airports. (75)

In essence, the CAA recommendations were accepted by the Board of Trade although a greater emphasis was placed upon the benefits of a policy of concentration to assist in regional industrial policies, as reflected in revised policy guidance issued to the CAA. The aim of regional development policy of successive governments had been to reduce economic and social disparities between different parts of the country by stimulating industrial development in assisted areas and by relieving pressures on resources in more prosperous areas. It was argued that concentration engendering an improvement in the variety and frequency of air services from the regions could make the chosen airports more attractive to air passengers thereby extending catchment areas and ultimately encouraging airlines to initiate new direct international services. This general improvement in services could in turn provide the basis of "drawback" to the regions of passengers travelling to the London airports to connect with international services which could in the short term stimulate both on and off airport employment in areas where unemployment rates were consistently above the national average and in the long term could function as an additional inducement to industrial development. (76)

Having decided that a concentration policy was the most efficient

solution to the future development of the UK airport system, consideration was then given to the possible measures which might be used to achieve objectives. In order to assess the possible effects of a policy of regional diversion four models were chosen for examination and measures studied included a charge on air passengers using the London airports; the use of the air transport licensing system; provision of aid for scheduled services from the regions and a passenger ceiling at the London airports. However, the results of this analysis were generally inconclusive and none of the measures offered the possibility of encouraging substantial growth in the regions. (77)

The White Paper, Airports Policy, Cmd 7048 issued in 1978 recognised that there was a greater role for regional airports to fulfill. Paragraph 22 stated:

"First the Government considered that the pursuit of a coherent airports policy should make a positive contribution to an overall increase in traffic from the regions outside the South East. A proportion of those passengers presently using the London airports but with origins and destinations outside the South East would be prepared to use airports elsewhere if the right services, at the right time, and with the right frequency were available. Such services are more likely to be commercially viable if they are operated from a limited range of airports. The avoidance of wasteful competition between regional airports, if this can be assured, should provide some incentive to airlines to mount services from the more important regional airports." (78)

However, the inference was that a policy of concentration would be more easily achieved if existing "natural growth factors" were assisted rather than imposing a solution which "might not be wholly consistent with market forces". (79) The Government stated clearly the rejection of the suggestion that the air transport industry should be subject to damaging restrictions as a result of the forced diversion of traffic to regional airports. The outcome of attempts at rational paper planning was, therefore, an airport strategy which involved the categorisation of airports broadly reflecting their already established roles in the early 1970s. Taking account of the catchment area potential in the Central England and Northern area, including the North West, and the major conurbations of Merseyside, Yorkshire and Birmingham, Manchester Airport was designated a Category "A" international gateway airport and the principal airport outside the South East supporting a wide range and frequency of international and intercontinental air services; Birmingham, East Midlands, Leeds/Bradford and Newcastle airports were

designated Category "B" with important regional roles providing a network of European scheduled air services. Other airports were classified "C" and "D" denoting local and general aviation roles respectively.

As far as Manchester Airport is concerned, this categorisation only reflected the status which had already been achieved by 1978, with a wide range of services to Europe and North America. However, it was expected that with gateway status the Airport could consolidate on its already well established range of international services, extending traffic patterns to include an increased range of services to North America and new routes into Africa, especially the western part of the continent. At the time passengers from Manchester bound for Africa or the Middle and Far East travelled via London or some other major European transit airport like Copenhagen, Amsterdam, Brussels, Frankfurt, Zurich or Paris. (80)

The White Paper stressed that the categorisation was expected to be interpreted flexibly and accepted that categorisation alone could not succeed in establishing rational airport development; other air transport policies were required to reinforce the strategy. However, no specific policies were identified; it was only suggested that the CAA was "expected to take account of airport strategy . . . in considering applications for new services and renewal of existing services". Essentially then, categorisation had little practical use in terms of controlling airport development in the regions, it merely recognised the effects of the operation of the free market which had naturally tended towards a long term trend of greater concentration at certain airports. Outside London larger regional airports had for a long time been increasing their market share at the expense of smaller ones - a trend which reflected the economics of airline operations whereby concentration at a small number of larger airports, maximising interlining opportunities between its own services and with those of other airlines could achieve economies of scale. (81) By the early 1980s, the Manchester International Airport Authority was inclined to the view that,

"despite the repeated assertion that there are positive policies to promote the development of regional airports, this has in reality amounted to lip service."

The role of the regional airports envisaged in the White Paper in

relieving the pressure of the London airport system had not been achieved with the regional share of international traffic remaining broadly static at 20% since 1978. (82)

It is argued that despite the existence of evidence to suggest that a strategy for the planned development of regional airports was being devised, the underlying principles remained basically laissez-faire. Possibly the lack of any positive encouragement for the regions was founded on a belief that in reality they would offer little substantial relief to Heathrow. However, it is suggested that whilst to some degree this may have been the case the overriding influence was the continued pressure for the establishment of a third London airport especially from the BAA. (83) The Authority maintained that a third London airport by about 1987 was essential to the UK maintaining a prominent position in international trade, commerce and tourism. In essence, the difficulty in terms of airport strategy, therefore, became one of reconciling the priority given to the encouragement of the diversion of traffic away from London to the regions with the pressure being exerted for the accelerated development of the London system. In this respect, the continued existence of both centralised and decentralised ownership structures operating side by side reinforced the battle between the London area airport system and the regional airport system which tended to detract from the concept of airport planning on a national scale.

The BAA's control over Heathrow and Gatwick Airports gave it monopoly powers over the airport system as a whole. To some the BAA had claimed the national objective of securing as large a share of the civil aviation market as possible as its own and had used it to justify an incessant demand for a third London airport and its "imperial ambitions" to acquire other airports. What has been referred to as the BAA's persistent attempts to take over the major regional airports is interpreted as evidence to suggest that public control had created a major monopoly operating at the expense of air travellers and exploiting the prospective shortage of capacity in the South East for its own aggrandisement. As BAA control of the London area airports for central government had institutionalised the capital's domination of the share of British air traffic in practice, the development of a positive strategy for regional airports development remained very low in the list of priorities. (84)

Arguably, any national strategy for airport development which sought to influence market forces might have implied the common ownership of airports. As the basis of the proposed airport strategy of the 1970s was one of promoting concentration at certain regional airports, especially Manchester, common ownership of at least the gateways for international air services might have offered the advantages of a more unified system where investment policies would be more consistent with national objectives and facilities could be planned on an incremental basis to deal with increases in demand. Possibly the overall planning of the airport system to accommodate growth involving central government and local planning authorities might have been less haphazard if ownership had not remained in a number of different hands.

(85) It is clear that whilst the laissez-faire approach applied to provincial airports in the 1960s coupled with centralisation of the major UK airports had contributed towards imbalance in the airport system, it is argued that common ownership would not have necessarily been a panacea in redressing the balance. Indeed, the outcome of the Edwards Committee's suggestion that Manchester Airport might be transferred to the BAA demonstrated the fact that whilst national agencies might have regarded common ownership as essential to the planned development of airports on a national scale, such aspirations could be defeated by forces operating at the local level.

It is suggested that local ownership of Manchester Airport had in the past enabled the airport to respond more effectively to local needs and that in the absence of any clear direction from national agency, the element of local enterprise in the ownership and operation of a regional airport figured prominently in accounting for the international status which was recognised in the 1978 White Paper. Essentially, the dynamic growth of the Airport was achieved despite the very considerable influence of the British Airports Authority and the Government's and the Civil Aviation Authority's apparent predilection for developing the London Airport system's domination of the South East.

5.3 CENTRAL GOVERNMENT POLICY TOWARDS THE FINANCING OF AIRPORT FACILITIES

In general, it is argued that throughout the period of development of civil air transport in Britain, central government policy towards

the financing of airport facilities has been restrictive, embodying a fundamental rejection of subsidising development even when the industry was in its infancy. However, as far as Manchester Airport is concerned, as a result of initiatives emanating from the local authority owners, in contrast to other provincial airports, the development process in the post war years has been underpinned by substantial capital grant, providing the financial backing essential to the development strategy envisaged by local interests.

When in 1919 the first scheme for a network of UK aerodromes involving the commitment of funds from the public purse was put forward, the reaction of the Treasury was one of "implacable hostility". (86) After the Second World War, the emphasis on making airports pay is exemplified by two statements issued in 1948:

"the cost of aerodromes and ground services borne by the State is heavy and at the prevailing level of landing fees represents a substantial subvention to air service operators. The aim should be that landing fees should in the long run make a contribution sufficiently substantial to justify an expectation that the deficit at any rate at the busiest aerodromes can largely be made good by the proceeds of efficient and energetic development of amenities and other ancillary sources of revenue."

and again in 1956:

"The Ministry's policy is aimed at deriving the maximum revenue that the market will bear with a view to making aerodromes ultimately self-sufficient." (87)

In later decades, even with the institution of price restraint for the economy as a whole, the objective of making airports self sufficient continued, as suggested by a statement made by the Secretary of State for the Environment in 1974 that local authority airports should equate revenues more closely with expenditure by increasing charges. (88)

Admittedly, at the early stage of development attitudes may have been influenced by perceptions of who the main benefactors of development would be. John Leeming for example, in voicing his support for a municipal aerodrome in Manchester, argued that the benefits from this would fall on the surrounding community, therefore, "taxing districts which would not benefit would be unjust." (89) However, in the late 1920s, the Manchester Corporation regarded central support as essential although an approach to the Air Ministry prompted a negative response,

"The Government will not give financial assistance to a local authority in connection with the establishment of an aerodrome

either by way of a capital grant or by way of an annual payment to meet any deficiency as between debt charges arising out of capital outlay plus revenue expenditure in management and maintenance, and income." (90)

In the light of this response, the Corporation looked to alternative possibilities of acquiring financial assistance indirectly. It was suggested that the airport scheme might reasonably be regarded as work of a "public utility" character, eligible for assistance under the Government proposed support scheme for the creation of jobs for unemployed labour. However, this was a difficult case to argue contradicting to some degree the very notions of prosperity which formed the foundation of the case for the establishment of an aerodrome in the City and given the relatively low incidence of unemployment in Manchester, the Officer-in-Charge of the Unemployment Grants Committee advised that the City would be unlikely to receive support. (91)

The only positive contribution made by the Ministry to airport development in this period was the offer of advice regarding the selection of appropriate sites, including guidance with respect to such conditions as soil composition, geography, and environmental conditions and support in the compilation of estimates for schemes proposed. It seems likely that the lack of financial assistance would have influenced the Corporation in selecting the area at Chat Moss as an appropriate site for the Barton Aerodrome in the late 1920s. Generally, the major cost involved in aerodrome provision in the period was the acquisition of land with buildings rarely amounting to a quarter of the cost of an entire scheme and as previously suggested, the site at Chat Moss was already in the possession of the City's Cleansing Committee. (92) Between 1928/9 and 1930/1, the cost involved in levelling the site and constructing roads was £16,402; the erection of buildings and hangarage cost £20,021 and the building of an airport hotel involved a capital expenditure of £5,413. In addition, £5,671 was devoted to tenants' compensation and the purchase of farm stock. (93) In contrast, the provision of the new landing ground at Ringway between 1935/6 and 1937/8 involved the purchase of land at £59,940. Demolition, levelling, fencing and drainage of the site involved a capital expenditure of £41,459 and site preparation and the provision of services for buildings amounted to £10,226. As suggested, due to the relative prosperity of Manchester, no Exchequer funds went into any of these developments despite the general willingness on the part of

the Unemployment Grants Committee to assist in the preparation of landing grounds. (94)

In 1932, some concession had been made to aerodrome owners in that the Air Ministry decided to assist in the provision of wireless and meteorological facilities at aerodromes. Following negotiations with the Air Ministry, it was agreed that at the Barton Aerodrome the Ministry would bear both the initial and recurrent costs of equipment (excluding buildings) and staff, on completion of the installation in May 1933 whilst the Corporation paid the sum of £250 per year to the Air Ministry and provided and maintained all buildings to house the facility free of charge. (95) However, such support tended to be regarded as a minimal commitment to aerodrome provision, as suggested by Railway Air Services in 1934,

"as the Municipal Authorities will be loath to incur further expenditure for the provision of additional land and facilities for safe operation. . . It is submitted that the Government should consider rendering financial assistance to the Civic Authorities when necessary for the constructing of airports in key positions."
(96)

With the onset of War, whilst no official policy of subsidising airports existed, the establishment of facilities to cater for war-time needs may be regarded as a form of indirect subsidy in that many of the buildings erected and improvements made to landing grounds provided suitable facilities for the conduct of civil air transport following the cessation of hostilities. Since Manchester's Airport at Ringway was not requisitioned during the Second World War, this allowed the Corporation to pursue a fundamental objective that expenditure incurred during war-time use should be fully recovered. Achieving this objective involved extensive and often protracted negotiations.

To accommodate the initial needs of the Fairey Aviation Company for aircraft assembly and test, the Company proposed a rent of £750 to £1,000 per annum to cover both land lease and flying rights. In February 1937, following lengthy negotiations, the Corporation agreed to lease a plot of land south of Yew Tree Lane comprising 4.33 acres upon which the Company subsequently erected two hangars. The lease which was to run for a term of 14 years, granted the right to use portions of the landing ground for the testing of the output of the Heaton Chapel works. However, the final rent agreed was £25 per annum until such time as the landing ground received its certificate of

fitness, then £1,000 per annum for the first seven years of the lease, increasing to £1,250 thereafter. (97)

With the need for more facilities to accommodate the requirements of the rearmament programme, it was originally envisaged that the financial arrangements pertaining to a lease to the Ministry of Aircraft Production of 16.6 acres of land north of Hale Road would be based on the principles of that agreed with the Fairey Aviation Co Limited in 1937. It was proposed that an overall rental of £1,250 per annum would be charged for both the site where new buildings were to be erected and the use of the landing area. This figure had been arrived at on the assumption that given the aircraft likely to be manufactured by Faireys, a charge of £1 per landing would be reasonable with testing in full production usually requiring on average two landings per aircraft. (98) However, it was not until February 1942 that the Airport Manager was in a position to inform Faireys that:

"At long last the Agreement between the Corporation and the Ministry of Aircraft Production regarding the lease of the site of the buildings adjoining your buildings at Ringway has been completed and is dated 14 January 1942."

An arrangement was made whereby the Ministry of Aircraft Production would lease the necessary 16.6 acres from the Corporation and erect the appropriate buildings. The final lease arrangements agreed between the Corporation and the Ministry of Aircraft Production were to run for a period of 21 years from 29 September 1939; the financial arrangements involved a payment of £498 9s 7d to the Corporation for the rent of the land together with payment at the rate of 6s per 1,000 pounds of gross weight of aircraft tested on the landing ground. It was further agreed that, should the Corporation deem it necessary to provide concrete runways on the landing ground as a result of Air ministry use, the Ministry would contribute towards the cost of their provision. Ultimately, the Ministry of Aircraft Production erected three hangars on this plot of land to enable Faireys to carry on the assembly of aircraft as their agents.

The final stage in accommodating Fairey's activities at Ringway involved a lease agreed with the Ministry of Aircraft Production in October 1942. This related to the provision of 5.5 acres of land immediately east of Pinfold Lane, together with similar rights pertaining to the lease of January 1942. The lease of this land was for a term of 30 years from 25 December 1941 with an annual rent of

£165 payable to the Corporation. Again the agreement involved an additional charge of 6s per 1,000 pounds gross weight of aircraft tested. The Ministry of Aircraft Production erected one hangar on this plot of land for Fairey's use. (99) By the cessation of hostilities then, Faireys were occupying six hangars at Ringway for the assembly of aircraft, four of which had been erected by the Ministry of Aircraft Production under an Agency Agreement with the Company. Between 1941 and 1945, the Manchester Corporation received £14,523 for use of the Ringway landing area for flight testing. (100)

In addition to the Fairey operation (as previously suggested) AV Roe and Co Limited made Ringway the centre of its experimental department in the war years. In May 1939, the Company occupied a small portion of the No 1 or Corporation hangar adjoining the control tower for the purpose of assembling the prototype of a military aircraft later disclosed as the Manchester bomber. By November 1941, a tenancy of the whole hangar was granted including the workshops which formed an annex to the premises. It was agreed that the tenancy should be renewed annually subject to three months notice being given on either side at any time following the end of hostilities in Europe. (101)

Whilst the Aerodrome Owners' Association scale of charges stipulated a payment of not less than 21/4d per week, a suggested basic rent of 6d was put forward as a starting point in negotiations on the basis that a compromise would probably be reached around 4½d which the Airport Manager considered to be a reasonable rent. In the event, little negotiation was involved as the Company accepted the proposed rent of 6d per square yard per week without question. (102) In all, the rent of the hangar and workshops from 16 May 1939 to 25 March 1946 brought an income of £21,323 to the Corporation. The income from landing fees for aircraft assembled or repaired in the No1 hangar was £998. Against this was set a capital expenditure of £21,500 for the erection of the hangar including a fire station, decontamination station and sundry stores which were not occupied by the Company. (103)

As was the case with the Fairey operation at Ringway, as the War progressed, the need for additional accommodation had to be satisfied and on 21 January 1942, the Airport Committee approved arrangements for the granting of a lease to the Ministry of Aircraft Production of land on the south side of the airport. Possession of this site was given to the Ministry of Aircraft Production on 25 March. As the total area

embraced the site of two temporary Bellman hangars previously erected on land leased to the Air Ministry from 23 July 1940, the rent of £52 per annum which had applied to this smaller plot of land ceased to be payable and the two temporary Bellman hangars which had been built adjoining the Altrincham Road were removed to make way for the new assembly sheds and flight shed. The lease for the larger site to provide for the "Avro" works involved the payment of £690 per annum in rent to the Corporation and the "factory" was erected by the Kelvin Construction Company under the direction of "Avros". (104)

Further demands were placed on the Corporation with the suggestion in December 1937 that Ringway would be used as a base for an Army Co-operation Squadron. An area of 20 acres was allocated for hangars, technical buildings, administrative offices, photographic rooms, armoury, workshops, stores, officers' mess and barracks to sleep 100 men. (105) The Corporation sited and erected these buildings with the intention that they should be used for civil purposes at the termination of Air Ministry use. The financial terms proposed involved the Air Ministry paying a rent equivalent to 8% of the total capital expenditure incurred by the Corporation in providing the necessary buildings and other works. If any of this construction work, for example, temporary buildings was found to be of no value to the Corporation on the termination of the lease, the whole cost of such works was to be funded by the Government. (106)

As regards the use of the landing area, it was proposed that the Air Ministry should pay a sum of £100 per annum for each aircraft housed at the airport with a minimum payment of £3,000. The Air Ministry were also to pay the Corporation for all gas, water or electricity consumed on the premises and to pay for any necessary heating. The responsibility for cleaning, internal repair and decoration of premises along with the responsibility for cleanliness for all approach roads, lands, gardens, etc, was to fall to the Air Ministry whilst the Corporation would maintain the structure of the buildings, ancillary works and approach roads. Finally, the Air Ministry was to reimburse the Corporation for any rates, landlords property tax and other outgoings which related to the premises occupied. Basically, the Corporation was ensuring that the Air Ministry should cover the full costs of their occupation and use of premises and the landing area. (107)

Clearly the terms offered by the Corporation were exhaustive forming a comprehensive basis for negotiation. On 13 July 1938, representatives of the Corporation and the Air Ministry met in the Town Clerk's office to discuss the proposals. The main criticism of the representatives of the Air Ministry was that the charge of £100 per aircraft, with a minimum payment of £3,000 was excessive - £2,000 would be ample payment and in fact was what the Ministry were paying at Birmingham. The Corporation justified its position on the grounds that the 250 acres of land comprising the landing area had been purchased at an average price of £100 per acre. The cost of levelling, draining, seeding and other works on the landing area had amounted to £45,000 bringing the total cost of the landing area to £70,000. A charge of 8% to cover interest and sinking fund charges was not unreasonable and applying this figure to the original cost of the landing area, the resulting annual cost of provision to the Corporation was £5,600, excluding maintenance which would easily bring the figure up to £6,000. Use by 40 RAF aircraft of the landing area would constitute much more than 50% use of the landing area, so a minimum payment of £3,000 could be reasonably insisted upon. Corporation representatives stressed the general financial policy pertaining to war time use

"The Corporation do not wish to profit out of war time use of Ringway by the Air Ministry, but they do not see why their income should not equal their expenditure when the airport is used to its maximum capacity." (108)

As the Town Clerk could not accept the Ministry's position and the Ministry equally could not accept the Corporation's position, negotiations were temporarily deadlocked. Ultimately, something of a compromise was reached in January 1939. For the use of the landing area by 16 machines attached to the Auxiliary Air Force, the Ministry agreed to pay a minimum of £1,750 per annum. In respect of the Volunteer Reserve, it was agreed that 29 aircraft should be based at Ringway. Up to 12 aircraft the Ministry would pay 2s for each square yard of average length of the four main runs for each aircraft; this would reduce to 1s for between 12 and 24 aircraft and 6d thereafter. The minimum payment for any number of aircraft up to eight was to be £960. The Air Ministry would also pay rent equal to 8% of the total capital expenditure incurred by the Corporation in providing and erecting buildings and other works, plus the annual rental value of the 20 acres of land to be occupied. In the event of the tenancy being

terminated before all capital expenditure had been discharged, provision was made for the Air Ministry to pay a proportion of any outstanding interest and sinking fund charges on buildings and works which could be used for civil purposes and the Air Ministry were to bear the whole cost of buildings which could not be used in this way. (109)

Provisional estimates for the erection of buildings, the provision of fittings, services and site works amounted to £284,570 with an additional £6,500 being devoted to land acquisition. The RAF camp consisted of barracks, sergeants' quarters, sergeants' mess, NAAF Institute and Drill Hall arranged around a parade ground on the north side of Ringway Road with adjoining officers' mess and quarters and station headquarters, two large hangars with ancillary workshops and offices, buildings for parachute and technical purposes, sick quarters, motor transport block and machine gun butts. (110) Table 5.1 suggests that the establishment of facilities to cater for the Auxiliary Air Force and Volunteer Reserve (AAF and VR) was the single most important development project undertaken at Ringway during the war years, constituting 95% of total capital expenditure. As this development was funded by the Corporation mainly from borrowing, debt charges incurred increased from approximately £4,000 in 1937/8 to £12,442 in 1939/40 and remained at between £24,000 and £26,000 for the subsequent 15 years (as shown in Table 5.2). However, the burden of development for the Corporation was substantially eased by the refund of loan charges incurred on the AAF and VR buildings which between 1939/40 and 1951/52 constituted 23 - 45% of total income from airport operation.

Operationally, the war time use of Ringway involved demands which would not have been encountered under conditions of civil air transport. For example, the daily dispersal of aircraft around the boundaries of the landing area and the daily inspection and servicing of aircraft necessitated heavy traffic movement over the landing area including lorries, tractors, refuelling units, etc. This cut up the landing area, destroying the grass matt and forming deep ruts which in the rainy seasons formed mud holes not only around the perimeter of the landing area but well into the area itself. Maintenance was not only difficult but costly and during the adverse weather conditions of the winter of 1940/1, it was necessary to put the landing area out of service for short periods. (111)

The RAF had been quick to recognise that the dispersal of aircraft around the landing area necessitated the construction of hard standings but the experience of the winter of 1940/1 suggested that, in addition, it could be necessary to join up the standings with some sort of perimeter road if constant and excessive damage to the landing area was to be avoided. Similarly, it was suggested that, if Ringway was to remain a serviceable aerodrome, steps would need to be taken to secure hard runways. At a meeting of the Airport Committee on 21 February 1941, Councillor Tom Regan argued that there appeared to be "a very grave danger of the Corporation being left with an unserviceable aerodrome on the termination of hostilities." To delay construction of concrete runways until after the War

"would be to let slip a golden opportunity of being first in the field to meet the new and rapidly growing civil aviation which would be influenced in its choice of airport by the facilities provided."

Sam Hill, the Airport Manager, supported this view, maintaining that whilst there was no immediate imperative necessity to construct hard runways, if the War was to last another winter the airport would go out of service without concrete runways. (112)

In the event, the needs of war superseded any other considerations and, in May 1941, the Air Council commanded that the Corporation be asked to approve the construction of two hard runways at Ringway to enable flight testing and the delivery of aircraft to proceed without interruption during the coming winter. The runways were to be constructed by the Ministry of Aircraft Production. (113) As with so many other arrangements, the Ministry had felt that the construction of runways was an urgent matter and had, therefore, proceeded without conferring on the matter of cost. In this respect, reference was made to the agreement concluded with the Air Ministry in 1939 concerning the activities of Faireys, in which, considering the possibility of the need for hard runways, it had been agreed that the Corporation might construct them and the Air Ministry make a contribution towards the cost incurred. It was suggested that in view of this agreement, some contribution ought to be made by the Corporation to the £125,000 cost involved in the construction of the runways and perimeter tracks. Ministry of Aircraft Production representatives deemed that 50% would be appropriate. However, the Town Clerk advised that as the Ministry

of Aircraft Production and the Air Ministry were sole users of the landing area, the only acceptable arrangement was one whereby, if the runways were thought to be of value to the Corporation at the end of the War, a contribution would be made then, the value to be ascertained having regard to the extent to which the Airport was being used for civil purposes. (114)

The preceding paragraphs serve to demonstrate how during the Second World War the Ringway Airport was developed largely at the expense of either the Air Ministry or the Ministry of Aircraft Production. As suggested, the fact that the aerodrome was not requisitioned enabled the Corporation to ensure that at every juncture costs incurred during the period were fully recovered. Data provided in Table 5.3 indicates to some extent the significance of the leasing arrangements applying at Ringway Airport. In essence, whilst major building development on the part of the Corporation was supported by the refund of loan charges, once buildings were occupied by the agents of central government, the revenue earning capacity of the Airport increased as substantial income accrued in the form of rents and re-chargeable items.

In contrast, at aerodromes which were requisitioned, evidence suggests that in some instances the methods adopted by the Ministry were unsystematic and "unjust", at least as viewed from the standpoint of the aerodrome owner. In the majority of cases only part of an aerodrome was requisitioned, thereby confining compensation to the narrowest possible limits, leaving the owner to bear the burden of maintaining the rest of the aerodrome at a time when civil aviation had been curtailed. In other instances, only the landing ground was requisitioned, the rest of the aerodrome, including buildings which may have been costly to erect and maintain, being excluded from the requisitioning order. Often the parts excluded were commercially useless when broken away from the remainder of the aerodrome.

The provision for compensation to be paid to aerodrome owners which was embodied in the Compensation (Defence) Act, 1939 may be deemed to have been inadequate in that the Act excluded for the purposes of compensation the appreciation of values as a result of the emergency, but included depreciation. If anything, it was likely that as the War continued, there would be such an increase in Air Force personnel, with consequent demands for additional equipment and accommodation that there would be a shortage rather than a superfluity of suitable

aerodromes in the Country. This would have been a strong argument for increasing the amount of compensation claimable by virtue of requisitioning had the Act not expressly excluded the appreciation of values in wartime. (115) Whilst new buildings at the Ringway Airport were established to accommodate war time needs and leasing arrangements provided an income of £133,199 between 1939/40 and 1946/7, as shown in Table 5.3, the scale of activity at the Manchester (Barton) Airport remained small and under requisitioning arrangements, the total compensation paid for war time use was £18,400 (paid between 1939/40 and 1952/3).

Central government policy regarding the planning and ownership of aerodromes underwent a sea-change in the immediate post-war years with the aim of ensuring "the orderly expansion of air transport". State ownership was advocated as the only means of providing the finance for the development of airports needed by traffic requirements and aircraft technology. (116) The Civil Aviation Bill laid down the terms of compensation which were to apply in the event of acquisition by the State. Basically, compensation was to be assessed under the Acquisition of Land (Assessment of Compensation) Act, 1919 which when applied to land, runways and buildings constructed as an aerodrome did not ensure that the measure of compensation would reimburse local authorities for the capital expenditure which they had incurred. For example, the first principle embodied in the Act was that the value of assets arrived at should be the market value of land. (117)

The Town Clerk at Manchester advised that for dwellings, commercial buildings, factories, agricultural land, etc, this value was easy to ascertain as transactions involving such assets were a day-to-day phenomenon. However, there were no comparable transactions in the open market in aerodromes like Ringway. Secondly, although special suitability or adaptability of land to be purchased could be taken into account, the Act stipulated that this provision did not apply if the purpose related to statutory powers, or if the purpose was one for which no market existed save the special needs of a particular purchaser or the requirements of any Government Department or Local Authority. In assessing the implications of this rule for Ringway, the Town Clerk concluded that the special suitability of Ringway as an aerodrome for air transport services could not be reflected in its monetary value because when the Civil Aviation Bill became law there

would be no market for Ringway apart from the special needs of Government. (118)

Since 1945, the Ministry had incurred capital expenditure of £117,700 on Ringway and the Corporation had undertaken that in the event of the airport passing to the Ministry, it would not seek to increase its claim for compensation as a result of this expenditure. Faced with the very real possibility, that Ringway would be taken over by the State, the Town Clerk, the City Treasurer and City Surveyor considered the basis upon which the Corporation should open negotiations. Consideration was given not only to the amount of compensation which should be claimed, but also to the extent of lands which the Corporation could retain on the grounds that ownership by the Ministry of Civil Aviation was not essential to the operation of Ringway as a civil airport. (119)

It was agreed that under the powers of the Civil Aviation Act, 1946, it was doubtful that the Ministry could acquire lands to the north of Ringway Road where the RAF buildings stood, although this was probably not the case in respect of the RAF Buildings or hangars which stood on the airfield proper. Thus the Airport Committee were recommended to retain the freehold of land on the north side of Ringway Road and in respect of compensation for other lands, etc, to press for the maximum possible, that is all capital costs of providing Ringway, with the exception of the land and buildings to be retained, together with all revenue losses incurred since the project was initiated. Compensation to be claimed up to 31 March 1949 was, therefore, calculated to be £389,154 in respect of capital expenditure and £100,734 being the total net expenditure chargeable to the General Rate Fund. (120)

Whilst negotiations with the Lands Branch of the Ministry proceeded as previously suggested, the Corporation put proposals forward for the continued municipal ownership of Ringway. The support of the Ministry in making capital grants largely depended upon whether or not proposed works were regarded as part of a first stage of development. It was suggested that the first stage of works should include the construction of a new terminal building and control tower, a new apron and the extension of the main runway to 7,000 feet, together with the strengthening of the runway and taxi-tracks to make them suitable for the operation of "Stratocruiser" aircraft which were the heaviest type being used on trans-Atlantic air services at that time. (121)

The terms offered involved a 75% capital grant towards the cost of the first stage capital works (with grant aid reducing to 50% thereafter) estimated by the Ministry to include the following items:

	£
(a) New terminal building	425,000
(b) New apron	275,000
(c) New fire station	30,000
(d) Construction of a subsidiary runway OR extension of the main runway to 7,000' plus overrun together with strengthening of the existing length of runway associated taxi-tracks and aprons	300,000 OR 400,000
TOTAL ESTIMATED COST:	<hr/> 1,030,000 OR 1,130,000

In retaining control, it was also agreed that certain works carried out since the Ministry had contemplated State acquisition could be regarded as having been carried out subsequent to the agreement. The value of such works was set at £399,000 in respect of which the Corporation had to pay the Ministry £100,000 representing a 25% contribution. (122)

In agreeing to continued municipal ownership, it is likely that the advantages to the Exchequer of grant aid rather than State control were well appreciated. Accounts of the Ministry of Civil Aviation published as early as 1948/9 had shown a loss of £4,210,551 on aerodrome operation and after deducting losses on the national airports of London, Northolt and Prestwick, the loss on other airports, some requisitioned from the municipalities was £2,561,111. (123) Under the agreement with Manchester Corporation, the Exchequer could save on capital expenditure and any annual losses which might arise on the operation of the aerodrome, gaining financial advantage as compared with the costs involved at other Ministry airfields. If anything the attitude of the local authority towards developing air services in its region was likely to reduce the burden on public funds not only nationally, but locally too. At the same time, safeguards could be instituted to prevent excessive commitments falling upon the Exchequer and to ensure that the requisite standards of safety and service would be maintained. (124)

Table 5.4 provides details of the major capital developments at Manchester Airport which benefitted from central government grant under the terms of the 1955 agreement, and Table 5.5 highlights the significant contribution made by grant aid to airport development at least up to 1963/4. However, it is argued that whilst willing to provide financial support to airport development, the primary objective of central government was not to positively promote airport development, but to minimise any potential Exchequer losses. This is demonstrated by the attitude adopted by the Ministry to proposals for development formulated by the City Architect in the 1950s. The scheme for terminal building development submitted to the Ministry in December 1954 had involved an estimated capital expenditure of £2,772,310, a sum which the Ministry had deemed unjustified in view of the amounts to be spend on Ministry airports at Glasgow, Prestwick and Edinburgh. An amended scheme was, therefore, put forward in February 1956, involving an estimated cost of £2,159,716. However, the Ministry flatly refused to approve expenditure of more than £1 million for 75% grant. At the end of the day, as plans were further modified to cope with the traffic levels forecast for the early 1960s, the Corporation went ahead with a £2.8 million scheme despite the limit imposed on grant aid by the Ministry and the effects of this action are clearly indicated in Table 5.5 from which it may be noted that from 1961/2 the proportion of capital outlay funded from loans increased dramatically. (125)

The State ownership of scheduled service airports in the UK was short-lived and by the early 1960s, the policy of returning them to their municipal custodians was well entrenched in an effort to make them self-supporting. Government assistance to airports was based on the 1961 White Paper, Civil Aerodromes and Air Navigational Services, which recognised that assistance should be made available where airports served a national as well as a local need. With the BAA established to take over the principal international airports and criteria for support applied strictly, financial assistance to local authority airports was limited. In the absence of a national airports strategy, there was uncertainty on the part of some airport authorities as to the likelihood of Government assistance for particular airport developments. (126)

Consideration of applications for financial assistance was based on two criteria. Firstly, an aerodrome had to be regarded as one of a

limited number indispensable to the national transport system. Secondly, it had to be proven that the cost of running such an airport placed an unduly heavy burden on local resources. (127) In assessing indispensability account was taken of the location of other aerodromes and facilities, the population served by the aerodrome; the existence and convenience of other means of travel; the likely growth of traffic and the prospect of the aerodrome paying its way within a reasonable period. Regarding the rate burden incurred, a local authority had to demonstrate that financial loss would be greater than the local community could be reasonably expected to bear. However, as pointed out in the previous section, at the same time, the BAA took over the management of those airports which were expected to be principal gateways for normal scheduled services. Therefore, *prima facie*, it was these airports which were likely to be regarded as indispensable and it follows that on the basis of the criteria established, Government aid to local authority owned airports was inevitably strictly limited. In the absence of a national airports strategy, this meant that consideration of applications dealt with questions of indispensability in an *ad hoc* way. Specifically, it was not possible to relate different proposals to an overall conception of the country's needs for airports. This led to uncertainty and misunderstanding on the part of some airport authorities as to the likelihood of grants for particular developments. (129)

In practice, aerodromes to which financial assistance was provided may be grouped into five categories. Firstly, aerodromes in the Highlands and Islands which the 1961 White paper recognised would never be likely to pay their way but were essential to the economic and social welfare of the areas served were supported by grant aid. Secondly, some aerodromes in the North of England in the early 1960s received limited financial assistance as part of a programme for the industrial re-generation of the area. Thirdly, airports at Aberdeen, Inverness and Sumburgh received assistance as providing an essential part of the infrastructure for the North Sea oil industry which necessitated significant development to accommodate the rapid expansion of traffic. Fourthly, assistance was given to the BAA when it acquired Edinburgh Airport from the State in 1971. Finally, Birmingham and Glasgow Airports received financial assistance under the terms of agreements providing for their transfer from the State to their

respective local authorities in 1960 and 1966. Up to 1976, grants totalling £1.9 million were paid to the Birmingham Corporation towards the cost of extensions to the runway, apron and terminal building and at Glasgow the Government bore a cost of £3.5 million for initial development of the airport including works on the terminal area, taxiways and runways prior to the BAA take over of the Airport in 1975. (130)

As suggested earlier, most local authority airports registered losses in the early 1960s whilst Manchester's airport at Ringway recorded a surplus from 1957/8. In the 1959/60 Parliamentary Session, the Public Accounts Committee investigated the expenditure of the Ministry and in its report drew attention to expenditure borne at Manchester in the provision of technical services. The Committee highlighted the absence of any charge for these services and the fact that the Government received no share in the Airport's profits. As traffic at Manchester had increased, income from landing fees increased the revenue accruing to the Airport, whilst the Ministry faced increased costs for technical services. (131)

A review of the 1955 agreement was proposed on the grounds that it was not equitable that taxpayers' resources should be devoted to an airport where receipts exceeded expenditure and it was suggested that unless arrangements were modified to entitle the Government to a share of the airport's profits, the payment of capital grants to the Corporation in the future could not be justified. At a meeting of the Airport Committee on 22 November 1963, the conclusion was reached that it was in the best interests of the Corporation to forego future capital grants and reject the suggestion of profit sharing. (132)

Having been supported by grant aid towards capital expenditure for a period of nine years, the 1955 agreement was terminated on 1 April 1964. Under new arrangements, the Ministry agreed to continue to give technical advice on aerodrome problems without charge. The balance of grants outstanding was to be settled and grants on items not yet approved paid. A lump sum of £650,000 was to be paid towards costs related to the main runway extension and road diversion referred to in Chapter Two, and finally, the Ministry agreed to support 50% of any net aggregate loss after tax incurred by the Corporation in respect of the operation of Manchester Airport for a period of ten years. Up to the cessation of Government liability in 1964, the Corporation had received

approximately £3 million in grant aid mainly towards the cost of the new terminal building and extensions of the main runway. (133)

From this time, the Airport was treated as any other local authority airport in terms of the tests of eligibility for grant aid. However, it has been suggested in Chapter Two that by this time, Manchester Airport had already achieved a firm foothold in the industry whereby it was difficult for its municipal counterparts to compete on an equal basis. It is argued that non-requisitioning in war time succeeded by proposals put forward by the Manchester Corporation for continued municipal ownership in the early 1950s were determining factors in the future growth of the Airport.

Extensive investment in buildings during the period of hostilities provided the Corporation with facilities which were readily adaptable to passenger needs in the immediate post-war years and such facilities had effectively been provided at little cost to the local community. In retaining ownership in subsequent years, the Corporation was in a position to set and execute a local agenda for development, whilst at the same time, the financial terms of the 1955 agreement embodied the all important principle of Government assistance, albeit given reluctantly at the time. Basically, whilst other provincial airports competed stiffly for the limited resources of Central Government, the 1955 agreement at least offered Manchester a guarantee of some support from the State which may have in turn indirectly influenced airlines' commercial decisions.

5.4 CONCLUSIONS

Some form of airport planning is generally held to be essential for the development of a rational network of aerodromes on a national scale. In the early years of development of the Civil Air Transport industry, central government policy tended towards a laissez-faire approach with the initiative for airport development falling upon local government. The lack of planning was accompanied by a reluctance to give more than the minimum of assistance to local authorities in supporting what was an infant industry.

With the outbreak of the Second World War, however, central government was forced to take an active part in airport development providing funds to cater for the needs of the armed forces. The future development of Manchester Airport was advanced by the central funding of investment in buildings and other remittances afforded during the

war years. However, it is argued that in contrast to other airports, non-requisition was a determining factor which allowed the Corporation to pursue its own financial objectives despite the needs of the national emergency.

War-time experience engendered a sea-change in central government attitudes regarding the planning, ownership and financing of airports in that state ownership and direct state funding were regarded as essential to the provision of facilities to cater for growth and technological change. However, the "rigid planning" approach was a short-lived phase and essentially the Manchester Corporation set a pattern for the devolution of responsibility back to the local authorities, with local management being supported by the commitment of central funds. Whilst other local authorities declined to assume this responsibility, having lost touch with their local airports under Ministry management, the trend towards de-centralisation was reinforced in the 1960s when many local authorities resumed airport operation under terms less favourable than those offered to the Manchester Corporation some years earlier. Indeed, as suggested elsewhere, the period of State ownership of provincial airports ended with most of them supporting substantial deficits.

As Central Government shed responsibility for all but the major UK airports, the domination of London in the air transport system which had resulted from a vacillating policy in previous years, was reinforced to the detriment of most provincial airports. The exception to the general rule of stagnation in the provinces was Manchester Airport which by the termination of grant aid in 1964 had become virtually self-supporting.

In effect, the attempts at rational paper planning in the 1970s paid only lip-service to the problems being encountered in the regions and, in particular, the study concerning Central England may be regarded as the classic "white elephant" of attempts at airport planning on a wide scale. The system of categorisation of airports which emerged in the 1978 White Paper again had little implication in terms of guiding airport development as it was not backed by administrative measures to divert traffic to the regions. Essentially, the categorisation of Manchester Airport as a Category "A" Gateway International Airport represented only the recognition of a status which the Airport had already achieved, the origins of which lay in continued municipal

ownership and management of the Airport in the post-war years, underpinned by central government assistance.

Table 5.1CAPITAL EXPENDITURE AT RINGWAY AIRPORT DURING THE SECOND WORLD WAR

<u>DESCRIPTION</u>	<u>PERIOD</u>	<u>AMOUNT</u>
<u>Auxiliary Air Force and Volunteer Reserve Buildings</u>		
Land, buildings, sewage disposal plant, steelwork	1939/40	229,329
As above	1940/41	36,058
Buildings, sewage disposal plant, steelwork	1941/42	14,221
		<hr/>
		279,608
		<hr/>
<u>Other</u>		
Equipment, signs and aerodrome lighting	1939/40 - 1941/2	3,996
Concrete apron extension - slabs and excavating	1941/42 - 1942/3	8,832
Removal of obstructions	1939/40 - 1941/2	161
Radio beacon equipment	1939/40	39
Draining	1939/40	181
Demolition, levelling, fencing	1939/40	1,052
		<hr/>
		14,261
		<hr/>

Source: City of Manchester, Abstract of Accounts, General Rate Fund, Capital Account Expenditure, 1939/40 to 1944/45.

Table 5.2**MINISTRY CONTRIBUTIONS TO LOAN CHARGES - RINGWAY AIRPORT, 1939/40 TO 1955/56 (CURRENT PRICES)**

<u>(1)</u> <u>YEAR</u>	<u>(2)</u> <u>TOTAL LOAN</u> <u>CHARGES £</u>	<u>(3)</u> <u>MINISTRY REFUND OF</u> <u>LOAN CHARGES RE: AAF</u> <u>& VR BUILDINGS £</u>	<u>(4)</u> <u>TOTAL</u> <u>INCOME £</u>	<u>(5)</u> <u>% (3)</u> <u>OF (4)</u>
1939/40	12,442	3,343	14,582	23
1940/1	24,685	20,743	53,327	39
1941/2	28,248	21,105	50,095	42
1942/3	27,321	21,854	53,147	41
1943/4	27,145	23,087	54,570	42
1944/5	27,056	22,625	56,944	40
1945/6	26,730	22,626	60,927	37
1946/7	26,704	22,626	49,813	45
1947/8	26,537	22,626	62,948	36
1948/9	26,240	22,626	84,523	27
1949/50	26,013	22,626	76,288	30
1950/1	24,329	22,626	82,050	28
1951/2	24,500	22,626	88,566	26
1952/3	24,358	19,010	122,198	16
1953/4	24,163	13,814	141,199	10
1954/5	25,735	16,412	178,043	9
1955/6	30,537	16,412	213,943	8
TOTALS	432,743	336,787	1,443,163	23

Source: City of Manchester, Abstract of Accounts, General Rate Fund Reserve Account, Income Account and Expenditure Account, 1939/40 to 1955/56.

Table 5.3

**INCOME FROM RENTS AND RECHARGEABLE ITEMS AND LANDING FEES, RINGWAY
AIRPORT, 1939/40 TO 1946/7 (CURRENT PRICES)**

(1) YEAR	(2) TOTAL OPERATING INCOME £	(3) RENTS AND RECHARGEABLES £	(4) (3) AS % OF (2)	(5) LANDING FEES £	(6) (5) AS % OF (2)
1939/40	11,239	3,302	29	947	8
1940/41	32,584	18,540	57	48	-
1941/2	28,990	17,613	61	4,692	16
1942/3	31,293	17,302	55	4,662	15
1943/4	31,483	19,322	61	7,117	23
1944/5	34,319	20,472	60	9,152	27
1945/6	38,301	26,146	68	8,456	22
1946/7	27,187	10,502	39	4,605	17
TOTALS	235,396	133,199	57	39,679	17

Source: City of Manchester, Abstract of Accounts, General Rate Fund,
Revenue Account, Income, 1939/40 to 1946/7.

Table 5.4**CAPITAL SCHEMES AT MANCHESTER AIRPORT, SUPPORTED BY CENTRAL GOVERNMENT
DURING THE PERIOD 1954/5 TO 1959/60**

<u>DESCRIPTION</u>	<u>PERIOD</u>	<u>CAPITAL EXPENDITURE £</u>	<u>MINISTRY CONTRIBUTION £</u>
<u>Main Runway</u>			
Strengthening	1955/6-1957/8	87,334	65,500
Extension	1957/8-1959/60	156,557	117,422
Stop-way and run-up area (NE)	1959/60	24,013	18,013
Profile improvement	1957/8-1958/9	20,370	15,278
Load bearing tests	1957/8-1958/9	628	471
Runway lighting	1957/8-1959/60	25,420	19,067
Further extension	1959/60	501	-
<u>New Terminal Building</u>			
General (including access roads)	1957/8	34,024	24,871
Site preparation, structural steelwork, access road, apron and diversion of Yew Tree Lane	1958/9	174,428	121,434
Site preparation; Control Tower and Domestic Flights wing - structural steelwork, erection and completion; International Block and Traffic Hall - structural steelwork	1959/60	229,239	172,675
<u>New Terminal Area</u>	1958/9-1959/60	12,612	9,122
<u>Terminal Apron Extension</u>	1953/4-1955/6	69,985	52,488

Table 5.4 Continued

<u>DESCRIPTION</u>	<u>PERIOD</u>	<u>CAPITAL EXPENDITURE £</u>	<u>MINISTRY CONTRIBUTION £</u>
<u>Fuel Farm</u>			
Roads and Buildings	1956/7-1959/60	12,029	6,015
<u>Medium Range Radar System</u>	1957/8-1958/9	7,775	3,568

NB: Accounts after 1960 do not break down Capital Expenditure to individual projects.

Source: City of Manchester, Abstract of Accounts, General Rate Fund, Capital Account, Net Expenditure, 1953/4 to 1959/60

Table 5.5**SOURCES OF CAPITAL OUTLAY MANCHESTER AIRPORT 1953/4 TO 1970/71 (CURRENT PRICES)**

<u>YEAR</u>	<u>LOANS £</u>	<u>%</u>	<u>GOVERNMENT GRANT £</u>	<u>%</u>	<u>REVENUE £</u>	<u>%</u>	<u>TOTAL £</u>
1953/4	6,175	27	18,525	67	1,529	6	27,79
1954/5 (a)	111,312	25	(a) 336,295	75	787	-	448,39
1955/6	4,580	24	14,378	75	213	1	19,17
1956/7	19,419	26	52,865	73	107	1	72,39
1957/8	46,431	26	128,753	73	308	1	175,49
1958/9	68,412	29	166,793	71	21	-	235,22
1959/60	78,187	27	214,292	73	459	-	292,93
1960/1	201,435	28	514,198	72	111	-	715,74
1961/2	741,265	54	622,389	46	-	-	1,363,65
1962/3	1,112,004	96	51,732	4	151	-	1,163,88
1963/4	141,110	50	140,256	50	-	-	281,36
1964/5	296,293	72	116,850	28	-	-	413,14
1965/6	74,089	50	59,890	40	15,660	10	149,63
1966/7	106,853	46	65,272	29	55,899	25	228,02
1967/8	561,541	50	520,236	47	29,459	3	1,111,23
1968/9	651,013	81	100,703	13	44,826	6	796,54
1969/70	425,478	55	167,602	22	185,996	23	779,07
1970/1	647,598	90 (CR)	42,312	-6	117,447	16	722,73

(a) Includes provisions relating to certain works carried out by Ministry since contemplating State acquisition.

Source: City of Manchester, Abstract of Accounts, Schedule of Land, Buildings, etc and Particulars of Outlay 1953/4 to 1959/60; Capital Expenditure and Capital Outlay, 1960/1 to 1970/1.

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Hucknall was to serve Sheffield (Coal Aston) and Marywell Heights (near Bradford). Another trunk route was anticipated from Hounslow to Witney (west of Oxford), Castle Bromwich (Birmingham), North Shotwick (north west of Chester) and Baldonnel (Dublin). Also envisaged was a Hounslow - Filton (Bristol) route and one from Hounslow to Plymouth via Eastleigh (Southampton).

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CHAPTER SIX

AIRLINES

6.1 INTRODUCTION

Any study of the growth and development of an airport needs to consider the context within which the development of air services has taken place as primarily an airport's immediate customers are the airlines. Irrespective of potential individual demand for air services from a region, latent demand is only translated into effective demand if airlines are willing to develop the route network commensurate with the catchment area. It has been suggested that in deciding to operate an air route an airline exercises commercial judgement. However, commercial judgement alone is not the determining factor in route development as the civil air transport industry is subject to regulation and government intervention for a number of reasons, not least being safety. Chapter Five considered the role of government in determining the development of the UK airport system and sought to assess the extent to which central government policy had contributed towards the growth and development of Manchester Airport. This chapter is complementary in examining the role of national agency in determining the development of air services and the structure of the UK airline industry, which in turn, has implications for airport development.

Civil air transport operates within a market which extends beyond national boundaries and any international route involves at least two nations. In the international field particularly, the industry has been subject to a system of regulation, the form of which is not found in any other transport undertaking. Therefore, the development of national policy takes place within a context of this international regulatory framework. In considering the role of national agency, this chapter has therefore been divided into two main sections to reflect the co-existence of national policy regarding ownership and competition policy within the industry and international regulation. The first section dealing with regulation is further sub-divided into two separate parts. This traces the origins of the international

regulatory framework and differentiates between this and the development of regulatory authorities within the UK who have discharged the regulatory function within both international and domestic markets. Primarily emphasis is placed upon the scheduled air service sector as it is within this sphere that the fundamental origins of regulation may be found and where regulation has impinged most markedly on the operation of the industry.

In common with Chapter Five, it is inevitable that in dealing with national agency the major sources of reference constitute published primary material, although secondary sources, such as Wheatcroft (1964), offer useful interpretations of the nature of the regulatory system and the evolving structure of the UK airline industry. It should be noted that as far as published primary sources are concerned, the report of the Edwards Committee (1969) is drawn upon extensively as the most comprehensive analysis of the civil air transport from its early origins.

In examining the nature of UK ownership and competition policy and its implications for the structure of the UK airline industry, it is clear that the history of the flag carrier British Airways may be traced through its predecessors. It is felt that primary material relating to this history may be available at the British Airways Archive, based currently at Heathrow Airport, and formerly at Hendon. However, whilst an approach was made to the Archive, access was not granted; it was suggested that sufficient understanding might be gained from researching the Edwards Committee report. Inevitably then, the scope of this study has been limited by this constraint.

Generally it is argued that the international regulatory system has been dominated by national objectives with overriding emphasis upon the protection of the interests of national flag carriers. In terms of ownership and competition in the UK industry, this has in turn detracted from the realisation of the multi-airline concept. As far as Manchester Airport is concerned, the institutional framework cannot be regarded as having fostered growth and development in a positive way, particularly in the nationalised sector of the industry. In effect, Manchester Airport has capitalised upon the "loop-holes" which have existed in a regulatory system geared towards the protection of the "national interest" rather than the interest of the consumers of air services.

6.2 THE REGULATORY FRAMEWORK

(a) The Origins of the International Regulatory Framework

The State has traditionally had an interest in all forms of transport arising out of the principle of "protection of the public interest". (1) This principle derives in part from the fact that the national economic contribution of transport lies largely in the external economies generated; even when a loss is registered on the operating accounts of a transport undertaking, for the economy as a whole substantial economic benefits may accrue. Thus governments may be reluctant to allow an apparent bankrupt undertaking to go into liquidation. (2) Certainly the speed and convenience of air services and the supply of scarce human and physical resources made possible produce large indirect economic advantages. (3) The State may also be conscious of the need to co-ordinate different transport systems to achieve optimum results and avoid the waste of scarce resources, in the public interest. For example, the Transport Act, 1947 laid down the principal duties of the British Transport Commission thus: "to provide or secure, or promote the provision of an efficient, adequate, economical and properly integrated system of public inland transport." (4) The major theme of the Act was the desirability of achieving transport co-ordination by centralised control. (5) In a general sense then "protection of the public interest" may underlie all regulatory systems operating in the transport industry as a whole which by its very nature has political, social and economic implications.

The chief reason for Government regulation of the civil air transport industry is to secure a safe standard of operation. Safety is an extensive and complex problem for civil aviation, thus Governments in all countries have played a much greater part in shaping and controlling civil aviation than in any other transport sector. (6) Because of the potentially disastrous nature of even the smallest relaxation there is a high degree of regulation involving rigorous standards of airworthiness, maintenance, air crew qualifications, limitations on flying hours, etc. On an international scale, unanimity is achieved through the International Civil Aviation Organisation (ICAO). To some degree, safety regulation has led to economic regulation as conditions of all-out competition may not be conducive to the highest standards of airline safety. Basically, a commercial free-for-all could lead to the trimming of operating standards to save

costs. (7) However, all governments have extended regulation beyond this fundamental requirement, regarding civil aviation policy as their responsibility because of its international and political character and because of the exceptional problems of development which have been discussed earlier. (8)

In the international field the source of State control is the principle of national sovereignty over air space. However, regulation at this level has been extended in order to secure particular aims which may differ from country to country. (9) Air services are valued as a symbol of national prestige. In the post-war years, each newly emerging nation almost invariably took steps to form a national airline, like possession of "the flag" and the exchange of ambassadors, the national airline has been regarded as an external indication that nationhood has been achieved. (10) Similarly, national airlines have been promoted on strategic grounds to ensure that the aircraft available to carry civilians in peace-time are available to carry military equipment and personnel in times of war. Whilst a country may obtain cheaper air services by leaving them to the airlines of a foreign country, no nation wants to be dependent on another for the transport of people and goods across its national boundaries, especially when this dependence represents a permanent drain on foreign exchange resources. (11)

Whilst airlines have a fleet of aircraft of great value to the military services as a reserve in war-time and as a means of economically transporting people and goods at other times, possibly more importantly civil air transport constitutes a market for new aeroplanes. Both the UK and US Governments have regarded the maintenance of a strong aircraft manufacturing industry as important and this is a primary reason for the characteristically rapid rate of technological progress in civil aircraft design. However, promotion of rapid technological development is not necessarily for the direct benefit of the airlines and, in fact, may be contrary to their best interests. (12) In 1959, the Chairman of BEA asserted:

"If a slower rate of progress in aircraft development takes effect in all countries simultaneously, it is unlikely to affect the development of air transport adversely. Indeed less frequent replacement of transport aircraft by new and more advanced designs is likely to help rather than hinder the healthy economic progress of the airlines." (13)

Arguably, governmental pressure to support the aircraft manufacturing industry has been behind the promotion of new civil airliners rather than the demands of the airline industry itself. Certainly, the lack of enthusiasm for supersonic development in the 1960s suggests this. (14)

The natural economic characteristics of the airline industry similarly tend towards regulation. Airlines may be regarded as quasi-public utilities because although they do not display natural monopoly characteristics they display the public utility characteristic of being of "real public importance". (15) The conditions of supply are naturally oligopolistic as no more than a small number of airlines can serve air routes without congesting the skies. Although economies of scale do not act as a barrier to entry the possibilities of effective product differentiation are limited. Scheduled air transport is not a homogeneous commodity but a different commodity on each route - each route is a separate market. Despite various promotional activities, the airline service has very few characteristics which lead to the expectation that it would be readily differentiable. Given this oligopoly condition a stable equilibrium is only likely to occur if established firms have advantages protecting them from the possibilities of price competition. The effectiveness of limiting price competition in turn depends upon the ease of new entry into the industry and even though the minimum scale for efficient operations has increased with the introduction of larger aircraft, small airlines are not at such a serious cost disadvantage in comparison with larger airlines, that size alone provides an automatic barrier to new entry. In the absence of barriers to entry it is unlikely that an unregulated air transport industry would achieve the stable equilibrium attained in other oligopolistic industries. Newcomers could offer lower fares precipitating rate wars because, without the protection of a clearly differentiated product, established operators might well retaliate. Whilst the public would realise temporary advantage from lower fares, in the long-run services would probably be withdrawn. (16) Thus regulation may be justified on the grounds of achieving the stability and regularity of operation which in one sense qualifies an airline to be described as providing a service. (17)

In summary then, there are a number of factors which tend towards the regulation of civil air transport, some of which collectively

derive from the protection of the public interest and others arising out of the pursuit of particular set of national aims. Such aims may translate into a variety of objectives for the industry. The objective of a business under competitive conditions is often thought to be simply to maximise profits in the long term. However, this is not necessarily the case in civil air transport where the primary objective must be to achieve safe operations. Clearly support of the British aircraft industry may be a major objective leading to the intervention of Government (within the limits of its international obligations) in the procurement policies of airlines. Improvement of the balance of payments is also a fundamental objective in the negotiation and exchange of international traffic rights. The maintenance of external strategic communication may also figure in the strengthening of international air services beyond what is commercially practicable for reasons of national defence, national pride and foreign trade. Finally, objectives may include the satisfaction of customer requirements at the minimum economic price and the creation of conditions in which a commercial level of profits can be achieved by efficient airlines. (18)

Regulatory action is directly justified by some of these objectives. However, all too often government objectives are not precisely enunciated and even when they are, definition fails to consider their conflicting nature. (19) One course in determining public objectives for the civil air transport industry is to produce a list of desirable ends, like Section 102 of the Federal Aviation Act, 1958 and a "Declaration of Policy":

"In the exercise and performance of its powers and duties under this Act, the Board shall consider the following, among other things, as being in the public interest, and in accordance with the public convenience and necessity:

- (a) The encouragement and development of an air-transportation system properly adapted to the present and future needs of the foreign and domestic commerce of the United States, of the Postal Service, and of the national defense;
- (b) The regulation of air transportation in such manner as to recognise and preserve the inherent advantages of, assure the highest degree of safety in, and foster sound economic conditions in, such transportation, and to improve the relations between, and co-ordinate transportation by, air carriers;
- (c) The promotion of adequate, economical and efficient service by air carriers at reasonable charges, without unjust discriminations, undue preferences or advantages, or unfair or

- destructive competitive practices;
- (d) Competition to the extent necessary to assure the sound development of an air-transportation system properly adapted to the needs of the foreign and domestic commerce of the United States, of the Postal Service, and of the national defense;
- (e) The promotion of safety in air commerce; and
- (f) The promotion, encouragement, and development of civil aeronautics." (20)

However, such statements can accommodate widely different meanings as to the way policy should be shaped in detail. Also little guidance is given as to where the decision should lie when particular objectives are in conflict. An alternative is to identify a single objective in general terms. However, here the difficulty is that almost anything can be regarded as within the constraints of such a policy if decision makers choose. A primary example of this kind of objective definition is that given by the "general duty" set for the Air Transport Licensing Board in Section I of the Civil Aviation (Licensing) Act, 1960, of "exercising their functions under this Act in such a manner as to further the development of British Civil Aviation." (21)

Attempts have been made to define more closely objectives for the UK civil air transport industry as in, for example, the Government White Paper, Civil Aviation Policy (Cmd 4213) published in 1969. In this document, the principal objective of the civil air transport industry was identified as the provision of air services by British carriers, in satisfaction of all substantial categories of public demand at the lowest levels of charges consistent with a high standard of safety, an economical return on investment and stability and development of the industry. However, this objective was set in the context of the need to strengthen the balance of payments and contribute to the overall growth of the economy. (22) It is clear that even if objectives are more closely defined in such a way the means by which they are achieved may bring about contradictory outcomes. For example, whilst the satisfaction of public demand may be achieved by the involvement of more than one UK airline on a route, this in itself may be harmful to British interests in the international market in forcing an established operator to withdraw from a route leaving the field open for foreign operators. Ultimately if the British share of the international market reduces as a result the balance of payments may be adversely affected.

Whilst there is common ground among different countries on certain points regarding air transport policy, there are areas where

governments tend to behave in similar ways because each has its own national objective. Probably of all objectives the importance which each government attaches to maintaining a "national" airline and the intensity of political feeling generated by this objective has been most influential in determining the form and detail of regulation of international air services, especially scheduled services. (23)

The first recognition of the need to regulate international flying was as a consequence of the development of airship construction and the wide radius of operation of such aircraft. (25) The Paris Conference of 1910 represented the first attempt to reach international agreement on the problems of air navigation and especially the questions of sovereignty of the air and the rights of passage. However, the Conference was unable to complete a draft convention mainly owing to a conflict of opinion between British and German delegations as to the right of each State to the exclusive sovereignty in the air space over its territories. (25) It was only on 13 October 1919 that 29 nations signed the Convention for the Regulation of Aerial Navigation enshrining in international law the principle of sovereign rights in air space above state territory. (26) In the meantime, individual nations made their own provisions for control. In the UK the Aerial Navigation Act, 1911 provided for "the protection of the public against dangers arising from the navigation of aircraft." The Act merely made it an offence to navigate aircraft over areas prohibited by Order of the Secretary of State - being passed in a rush to guard against the dangers of reckless flying at the Coronation of King George V. In 1913 Colonel Sealy, the Secretary of State for War, promoted another Aerial Navigation Act under which powers were taken in the interests of defence to fire at or into any aircraft flying over prohibited areas. (27)

Essentially, the multilateral exchange of commercial rights in civil air transport was given little serious attention until after the Second World War. During the inter-war years chaos had prevailed where each country had sovereignty over its own air space and foreign aircraft could be de-barred from passage or landing except at the will of the country concerned. However, in 1944, representatives of 52 nations met in Chicago with the purpose of formulating policy for the post-war regulation of international air transport. At Chicago, the US and the

UK were found to hold completely different views regarding the regulation of commercial air traffic. American airlines were by this time well-equipped and experienced in trans-oceanic operations, therefore, the US upheld the principle of maximum "freedom of the air". In contrast, British commercial air transport was weak, so the British delegation supported detailed economic regulation by governments involving the nomination of routes; the designation of airlines; control of the capacity provided by the airlines of each State; the determination of fares, etc. (28)

Whilst it was hoped that the Conference would establish the multi-lateral exchange of commercial rights the gulf between Britain and the US could not be bridged so individual nations reverted back to the sovereignty of air space for protection and sovereign rights originally established in the Paris Convention were reiterated in Article I of the Chicago Convention. (29) Under the Convention on International Civil Aviation which set up the International Civil Aviation Organisation, any country has the basic right to prohibit aircraft of any or every other country from using its air space. With respect to civil aircraft some measure of international agreement was reached on the exchange of certain rights of overflight and landing. However, many aspects, especially relating to scheduled commercial operations, remained the subject of bilateral agreement. (30)

The Chicago Convention stated the agreement of all signatories to allow overflight and technical landing on non-scheduled operations. The International Air Services Transit Agreement, signed by 21 nations at the Convention, concerned the exchange of rights of overflight and technical landing for aircraft engaged on scheduled operations, and other rights subject to bilateral agreement, collectively known as the "Five Freedoms". (31)

The First Freedom establishes for the aircraft of "State A" the privilege of flying over the territory of "State B" without landing. The Second Freedom establishes the privilege of landing in the territory of "State B" for technical reasons only, such as re-fuelling. The Third Freedom enshrines the privilege of setting down in "State B", traffic picked up in "State A", whilst the Fourth allows for the picking up in "State B" traffic destined for "State A". The final Freedom of the air establishes the privilege of picking up or setting down in "State B" traffic which is destined for or has come from "State

C". In other words, a UK airline operating a route between London, Athens and Beirut can carry Third and Fourth Freedom traffic between London and Athens and London and Beirut, and Fifth Freedom traffic between Athens and Beirut. (32)

Competition in the international field is complicated by limitations imposed by bilateral Air Service Agreements for the exchange of traffic rights. Negotiation of these agreements has a major bearing on the organisation and economics of the airline business since they determine who can fly and subject to what conditions. (33) Immediately following the Second World War, the UK advocated protectionist policies and a number of bilateral agreements were based on the principle of "pre-determinism". Pre-determinism was underpinned by the mercantilist philosophy that the right to carry traffic between countries belongs equally and exclusively to the carriers of the two States involved. Periodically, the airlines of each State agreed the traffic potential of routes operated and the sharing of frequencies ensuring that each airline achieved an equal share of traffic at an economic load factor. Thus competition was virtually eliminated and airlines were encouraged to rationalise their relationship through commercial pooling agreements. (34)

However, in 1946 UK and US delegates met at Bermuda to negotiate the bilateral exchange of commercial rights and from this emerged the general philosophy underpinning the economic regulation of the industry internationally in the post-war years. The terms of the "Bermuda Agreement" were relatively liberal. Firstly, the routes operated by airlines of two countries were to be agreed in negotiation and specified in an annex to the bilateral agreement. On route sectors directly linking the territories of two countries, no restrictions were to apply to the frequency or capacity which designated airlines could operate. For economical operations on long-haul routes, carriers were granted the right to carry traffic on intermediate sectors; in other words "Fifth Freedom" traffic was allowed provided that the total capacity operated was related to the "end-to-end" potential of the route. (35)

The Bermuda Agreement did not prohibit the designation of more than one airline on any agreed route by either party to the Agreement. (36) However, to safeguard against the possibility of the airlines of either State operating excessive capacity, provision for the ex post facto

review of capacity was made in the event of one party feeling that its interests had been unduly affected by the capacity of airline(s) of the other. (37)

The Bermuda Agreement also recognised the need to protect the public against airlines' abuse of their protected position under a system of controlled entry and to ensure the long term economic stability of the industry by preventing cut-throat price warfare. Most nations at Chicago had accepted the regulation of traffic except the US which later agreed to compromise at Bermuda. At the time, the Civil Aeronautical Board controlled fares and rates on US domestic routes but did not have powers to determine international air fares. (38) The US supported indirect control with tariff agreement initially being reached in the International Air Transport Association (IATA), thus IATA assumed an important role as a rate making body in the international market. At Bermuda it was agreed that fares and rates should be regulated by means of airline agreements arrived at through IATA Conferences, being subject to subsequent approval by the CAB in America and the Aeronautical Authority in Britain. Most other countries have since proved willing to delegate the rate-making function to the airlines and in effect the IATA machinery has been adopted by governments as an integral part of their own overall system of economic regulation. (39)

Since the Bermuda Agreement, the form of subsequent bilateral agreements has differed between countries. In some cases, countries have exchanged rights to operate from any point in the one country to any point in the other. Some bilateral agreements specify that any single route or group of routes shall be operated by only one airline of each country. Whilst others do not in so many words limit the number of airlines that may be used. (40) However, the general trend in the post-war years has been away from the liberal Bermuda system to more protectionist practices. Basically, the Bermuda arrangement has not worked well when the airline of one country is relatively weak from the competitive point of view. (41) Many countries with only one national airline have also been reluctant to allow operations by more than one airline of another country. Similarly, the tendency towards "pre-determinism" has arisen from the increasing desire of emerging nations to establish international airlines, thus in many instances not only have routes been agreed but frequency and sometimes aircraft type

and number of seats. (42)

The interpretation of bilateral agreements as they affect national airlines can be a stumbling block in the introduction of new international air services, particularly from UK regional airports such as Manchester. The British Government leads the negotiation of air traffic rights for UK airlines to fly to international destinations and for foreign airlines to fly to the UK. Increased access by foreign airlines has generally only been permitted where it is balanced by parallel improvements in access of equivalent value for UK airlines and international aviation on long-haul routes remains particularly highly regulated. (43)

Although bilateral agreements differ for each pair of countries, the principle of reciprocity tends to be embodied in all agreements. The standard form of agreement usually includes a clause as follows:

- "(i) There shall be fair and equal opportunity for airlines of both Contracting Parties to operate agreed services between their respective territories;
- (ii) In operating the agreed services, the airlines of each Contracting Party shall take into account the interests of the airlines of the other Contracting Party so as not to affect unduly the services which the latter provide on the whole as part of the same routes;
- (iii) The agreed services provided by the designated airlines of the Contracting Parties shall bear close relationship to the requirements of the public for transportation on the specific routes and shall have as their primary objective the provision, at a reasonable load factor, of capacity adequate to carry the current and reasonably anticipated requirements for the carriage of passengers and cargo including mail originating from or destined for the territory of the Contracting Party which has designated the airline. Provision for the carriage of passengers and cargo including mail both taken on board and discharged at points on the specified routes in the territories of the States other than that designating the airline shall be made in accordance with the general principles that capacity shall be related to:
 - (a) traffic requirements to and from the territory of the Contracting Party which has designated the airline
 - (b) traffic requirements of the area through which the agreed service passes, after taking account of other transport services established by airlines of the States comprising the area
 - (c) the requirements of through airline operation." (44)

In the event of foreign operators wishing to operate from a particular UK airport, some may not be able to do so because of the constraints of international regulation. Although provision for new

international services to additional UK airports may be included in bilateral agreements and in theory such expansion need not be restricted in principle, the form of bilateral agreement may in practice be restrictive. Under the clauses stated above, the inclusion of an airport as a "Gateway" may be over-ruled by the expression "fair and equal opportunity" and the effect on other services. (45) Many countries have interpreted the "fair and equal opportunity" to carry traffic on routes covered by an agreement as meaning unless national airlines are handling 50% of the traffic on the route conditions are not "fair and equal". Despite the early tendency towards liberal policies, even in the US faced with a steadily declining share of traffic carried by US airlines on some major routes in the post-war years, there was mounting pressure for restrictions to be imposed upon foreign airlines, especially KLM and Scandinavian Air Services, who were held to be capturing an unduly large share of the American market. (46)

Clearly then, the actual agreement itself is not the final determinant of international air services, reciprocity being the key. Under this regime the inauguration of a new service then becomes a matter of "tit for tat" bargaining. In essence, Qantas, for example, may be able to fly into Heathrow rather than say Manchester purely because the British Government wants its own national airline to be allowed to fly into the Australian capital, a favourite haunt for British tourists. On the other hand, Qantas may be allowed to operate to Manchester provided services are transferred from London in return for the UK national airline being given access to Adelaide. (47) It has been argued that until this route-fixing cartel ends, market forces will never be able to redress the centripetal tendency of airports in each country. (48)

In respect of the impact of international economic regulation on the development of Manchester Airport, the international operations of British airlines have tended to concentrate on the London airports with demand on international routes from Manchester being satisfied by foreign carriers. Historically, the airport owner has been forced to argue the case of the foreign carrier in order to establish scheduled international air services. As previously suggested, many "firsts" at the airport have been by foreign carriers and it will be useful to briefly re-iterate them here. In 1938, KLM operated the first

international scheduled service to Amsterdam using DC2s; in 1946 Air France operated the first post-war scheduled service to Paris with DC3s; in 1949 KLM operated the first regular service with pressurised aircraft (Convair 240); in 1953 the first scheduled trans-Atlantic air service was operated by Sabena to New York with DC6Bs; the first scheduled service to Canada was operated by a Lufthansa Constellation to Montreal in 1956; 1958 recorded the first visit to Manchester of a pure jet aircraft, the French Caravelle demonstrator; in 1960 the first scheduled jet service using a B707 was operated by Sabena to New York; 1960 also registered the first European jet service with Air France operating Caravelles to Paris; and in 1974 Wardair (Canada) operated the first regular B747 air service. (49)

Whilst on the one hand the above may be cited as evidence to prove that the operation of international scheduled air services from Manchester has not been retarded by the international economic regulatory system, the record suggests that development at Manchester Airport has taken place in spite of the impact of the regulatory system rather than the system providing an impetus for development. Basically, the international regulatory system has been used fundamentally to support the interests of the major UK national carriers. For example, whilst foreign operators established many new services from Manchester in the immediate post-war years, in the early 1960s the fifth freedom schedules operated by Aer Lingus, Lufthansa and Sabena disappeared as a result of intensive lobbying by BEA and BOAC. (50) With particular reference to Sabena, this airline had inaugurated the New York service in 1953 using fifth freedom rights. BEA began to operate on the service in 1954 and ten years later Sabena's fifth freedom rights were revoked leaving the UK national airline as the sole operator. The national airline operated a daily service until the Summer of 1979, however, within the ensuing months the service was progressively reduced until it was finally abandoned to Laker Airways in the Summer of 1981. It may be argued that British Airways stopped the route - leaving Manchester with no direct scheduled service to New York for the first time in 30 years - because it did not want to compete with Laker. However, Laker operations did not commence until the Summer of 1981 whilst BA had already decided to reduce the level of service in 1979. This move was coincidental with the commencement of

shuttle services on the Manchester - Heathrow route, leaving less resistance to transfer over London. Similarly, the UK national airline and Swissair operated a route to Zurich until October 1982 when BA withdrew from the service. This was shortly followed by the imposition of a capacity restriction on Swissair's Manchester operation. Finally, the UK national airline has also been accused of adopting "blocking tactics" delaying the of start services from Manchester in recent years, by such operators as "Iberia". Clearly, the major determinant of airline operations at the international level has been the competitive effect on existing services and in negotiation effectively the designated carrier has become the practical determinant of whether new services can be operated. (51) On this basis, it is argued that the international regulatory system (reflecting the overriding objective of protecting the interests of the national airline), and its implications for licensing policy failed to address the needs of Manchester Airport and rather supported the centripetal tendency of airports.

Thus the owners of Manchester Airport have been forced to attempt to counter the influence of the UK national carriers and their tendency to concentrate operations on the London hub, feeding passengers from the regions via Heathrow to support marginal routes there and to achieve the advantages of the integration of route patterns and fleet utilisation. Rather than introduce new international scheduled air services from Manchester, the national carriers have operated only the most mature and profitable regional air services, and even in this respect the fear of self-diversion away from London has limited the "pick-up" at Manchester. (52)

By the 1970s the Manchester International Airport Authority was claiming that the structure of the airline business was hampering the development of scheduled air services from the Airport. Although foreign carriers had developed routes this had not secured adequate services to non-European destinations as foreign carriers had seldom been allowed to operate services under the restrictive terms of bilateral agreements. (53) Despite Manchester Airport being designated as a national asset in the 1978 White Paper on Airports Policy, bilateral agreements did not make for easy access to the airport. (54) Increasingly calls were made for the greater involvement of the Airport Authority in licensing processes and in observing the international

negotiation of rights. It was argued that fundamentally the basis of interpretation of bilateral agreements required reconsideration allowing for the needs of the northern market to be considered separately from the total UK market. (55)

In addition, faced with the tendency for the efforts of foreign carriers to be blocked by the national UK carriers who were themselves reluctant to operate scheduled international air services from regional airports, the Manchester International Airport Authority promoted the concept of "British Manchester Airways", a Manchester based airline operation, to ensure that the gateway market potential of the Airport could be satisfied whilst still preserving the interests of British carriers. A complete portfolio of both mature and marginal routes which could form a viable network was proposed. (56) However, it is argued that such an arrangement, had it been established, would still have failed to overcome international restrictions. Whilst the designation of a second airline in bilateral agreements may introduce the competition necessary to satisfy regional demand, the likelihood remains that even when dealing with the most liberal foreign government the extent to which the total British share of traffic is allowed to exceed 50% is very small. The increase in user benefits (including the choice of airport) would have had to be balanced against the risk that such benefits of competition between UK airlines would be muted because of the international constraint of enforced capacity sharing. If the designation of a second airline on international routes was to be only at the expense of the first, then designation would not take place. In any event a second airline operating from an airport other than Heathrow with a lower frequency would be at a disadvantage. (57)

Thus economic and political realities of international aviation policy have led to the position whereby protection of the interests of national airlines is pursued by all countries to a greater or lesser extent. The difference between "liberal" and "protectionist" policies in international air transport is only a matter of degree. All nations desirous of developing their own airlines must be assured of a reasonable share of traffic on international scheduled routes, thus although "liberal" nations may accept competition as the arbiter of market shares, this is within limits. Until the non-commercial advantages of air transport can be abandoned or satisfied in other ways, the international regulatory system will continue to place the

interests of national airlines above any other objective.

(b) The Development of Regulatory Agencies in the UK

Prior to the First World War, the Home Office had been the Department of State responsible for the regulation of such civil flying as existed at the time; it was only after the War that civil aviation entered the field of public transport. (58) In anticipation of the commencement of civil flying, central government took the initiative of considering the question of the development and regulation of aviation for civil purposes from a domestic, imperial and international standpoint with the setting up of the Civil Aerial Transport Committee in 1917. Generally, the Committee urged the formulation of a scheme for the regulation of international flying and emphasised the need for domestic air legislation. It was recommended that all the powers and duties of regulating air transport should be assigned to a Department of Civil Aviation as part of the Air Ministry which had been formed in 1917. (59)

In assigning responsibility for civil air transport to the Air Ministry military considerations had been of overriding significance:-

"The proposal offers certain advantages in grouping in one Department officials and experts responsible for the issue and administration of regulations which in the present case must to a great extent be governed by Naval and Military considerations . . . it is only necessary to refer to the close connection between prescribed landing places for foreign aircraft and prohibited areas." (60)

This arrangement continued unchanged for some 20 years despite pressure in Parliament to separate the responsibility for civil flying from that of military flying. The Committee on the Control of Private Flying and other Civil Aviation questions reporting in 1934, regarded the overriding influence of war-time experience with misgivings:-

"The ensuing struggle for military supremacy resulted in the forced growth and abnormal development of aircraft. The creation of a weapon of war out of this new form of transport has caused civil aviation often to be regarded in an entirely wrong perspective, namely as a potential instrument of destruction, instead of as a means of facilitating communication between nations with consequent benefit to the cause of world peace." (61)

and E C Gordon England and JTC Moore-Brabazon commented that:

"Considerations such as the establishing of National Aerodromes, the internal and Empire routes bring in matters of high policy in which general questions of trade, commerce, immigration, Empire settlement, Post Office mails, etc, are involved. At present only one voice with authority is to be heard in the Cabinet, namely, that

of the Air Minister, whose views on the job must automatically be tinged . . . He cannot serve two masters." (62)

The emphasis on strategic military objectives was highlighted as late as April 1944 when British, Dominion and American representatives met prior to the UN Conference which was to discuss the international machinery which would govern international civil aerial transport in the post-war era. At this meeting, Mr Berle, the USA's Assistant Secretary of State asserted that there was a vast difference of approach to aviation between the US and Britain. It was claimed that in the United States the aeroplane was regarded as a vehicle of trade whilst in Britain it seemed to be regarded as "an evil thing which must be controlled lest it spew out death and destruction." (63)

In the inter-war years emphasis was placed on the mechanisms for controlling internal air services in the UK. Following a lengthy period when licences to operate services had been issued directly by the Department of Civil Aviation, an independent Air Transport Licensing Authority was set up with the purpose of rationalising UK domestic air services. The Maybury Committee reporting in 1936 had recommended a junction aerodrome scheme as the most effective way of securing the greatest measure of advantage both in facilities to the travelling public and in economical operation. In order to secure the conditions necessary for the scheme, it was deemed essential that the operation of regular passenger services on these routes should be secured by means of a licence to a single company or to a combination of companies working on the closest terms of co-ordination. In regard to other internal routes, the Committee was of the opinion that a system of licensing all regular passenger services should be introduced with a view to ensuring the most effective service to the public whilst avoiding uneconomical overlapping. (64) On 23 June 1938, an Order in Council established under the Air Navigation Act, 1936 provided for the licensing of regular air services in the UK and established the Air Transport Licensing Authority to handle licence applications. (65)

The Licensing Authority could grant, refuse, suspend or revoke any licence. In considering licence applications, the Authority had to look to the co-ordination and development of air services generally, but in particular it had to consider the existence of other services in the area through which the proposed services were to be operated; the possibility of air transport in that area and the degree of efficiency

and regularity of the air services, if any, already provided. The applicant had to be able to demonstrate the potential for providing a satisfactory service in respect of continuity; regularity of operation; frequency; punctuality; reasonableness of charges and general efficiency. In addition, the Authority had to take account of the financial resources of the applicant and the type of aircraft proposed to be used on the service. The Licensing Authority was at liberty to attach a number of conditions to the granting of a licence, specifying route origins and destinations and intermediate landings, maximum fares to be charged to passengers and the suitability and capacity of the aircraft to be used. (66)

The Air Navigation (Licensing of Public Transport) Order came into force in July 1938 and all operators were granted provisional licences until such time as applications had been considered. The Order established the right of any County Borough to object or make representations to the Licensing Authority and Manchester Corporation, in support of the Maybury scheme and Manchester's potential junction role, made extensive use of this facility when the Licensing Authority heard applications for licences to operate in the Summer of 1939. (67) However, the Maybury scheme failed to materialise and it is argued that this probably was in part the result of the contradictions of the regulatory system. In essence, although the Air Ministry was generally in support of the Committee's suggestion it was not in a position to influence airline operators to carry out the scheme "to the detriment of existing air services". Similarly, the Air Ministry deemed itself unable to "particularise as between one aerodrome and another or as between one service and another". In other words, it would not take steps to indicate the routes over which air transport companies should operate. On the other hand, the Air Transport Licensing Authority could only make decisions regarding licence applications received by them with the possibility of suggesting further services. Thus they equally could not force any airline to operate a service other than that for which it had applied. The Authority was not in a position to promote civil aviation or pioneer this new venture, that work was the responsibility of the Air Ministry which in practice deferred to the Licensing Authority. (68)

The need to rationalise UK internal air service disappeared with the outbreak of war in 1939 and in the immediate post-war period the need

for a licensing authority was eliminated by the nationalisation of all scheduled air services. However, an Air Transport Advisory Council was established under provisions in Section 12 of the Civil Aviation Act 1949 to consider representations from "any person with respect to the adequacy of the facilities provided by any of the Airways Corporations, or with respect to the charges for any such facilities" and to advise the Minister on any question which he might refer to the Council on "facilities for transport by air in any part of the world, or . . . the charges for such facilities"; or any question which in the opinion of the Minister required consideration "with a view to the improvement of air transport services." (69)

As the system of licensing air transport services was revised after the Second World War; so too were Ministerial responsibilities. In 1946, a new Ministry of Civil Aviation had been established although within seven years this Ministry had been amalgamated with the Ministry of Transport. At the time it was probably felt that such an arrangement had certain advantages such as being able to deal in one Department with questions of competition between the Airways Corporations and the shipping companies and to consider the needs for improved surface communications with a new aerodrome. However, despite the opportunities for co-ordination, for the most part, the Ministry operated as three separate Departments, or four if the ownership and operation of major civil aerodromes is regarded as a separate responsibility. The application of a broad set of principles equally to the administration of all forms of transport encompassing safety, freight rates, international competition and the promotion of new services could not cater for each form of transport having its own history and operational peculiarities, posing separate problems. (70)

During the 1960s, the Board of Trade assumed regulatory responsibility for civil aviation, previously discharged by the Ministry of Transport and Civil Aviation. One division of the Board was concerned with the commercial operations of British airlines and within this set up, one branch dealt with control of the Air Corporations including the fixing of targets and approval of investment programmes; another branch held overall responsibility for the air transport licensing system having a general interest in the independent sector; general responsibility for the regulation of airline traffic and for the application of Prices and Incomes Policy to the air

transport industry. A second division of the Board of Trade was responsible for the negotiation of traffic rights for UK operators under bilateral agreements and for the granting of permits to foreign operators flying to the UK. (71)

As far as the responsibility for issuing route licences is concerned, an Air Transport Licensing Board was set up under the Civil Aviation (Licensing) Act, 1960 and its associated regulations. Essentially any flight for reward by aircraft registered in the UK or its colonies, if operating to the UK, needed to be covered by an Air Service Licence granted by the Licensing Board. (72) The Board was required under Section 2 of the Act to consider a number of specified criteria covering, inter-alia, competence and fitness to operate proposed services having regard to experience, financial resources, equipment, organisation and staffing; insurance arrangements; any unfair advantage over other operators through conditions of employment of staff; the need for the proposed service and any likely duplication or diversion from other licenced services and any objections or representations made by interested parties. The Board also had jurisdiction over domestic air fares and under Section 23 of the Prices and Incomes Act, 1966 had to take account of Government Prices and Incomes Policy. Under Section 2(3) of the 1960 Act, the Licensing Board was obliged to consult the Board of Trade about relations with other countries in order to acquire information regarding international traffic rights for guidance in exercising the licensing function. (73)

Whilst the UK regulatory system was re-structured in the post-war years, it was nonetheless subject to substantial criticism both in terms of the relationship between Ministerial responsibilities and licensing functions and the conduct of licensing procedures themselves. For example, the Select Committee on Nationalised Industries' report on BEA in the 1960s recommended that the ATLB be wound up and its functions transferred to the Board of Trade on the grounds that both the formulation and implementation of policy was a matter for the Board of Trade. (74) On the other hand, institutions like the Joint Airports Committee of Local Authorities supported reform of the licensing system to increase the powers of the ATLB. At the time, appeals against ATLB decisions lay with the Minister or the President of the Board of Trade, and this factor was singled out for particular criticism. The Board of Trade had the dual responsibility of ensuring that the best possible

services were provided for the public and of protecting and assisting the national corporations. The Board of Trade was also concerned to see that Government owned airports and airlines paid their way. JACOLA argued that given such dual responsibilities the decisions of the Board of Trade regarding the establishment of services to and from Government owned airports and regarding licences to independent operators would be inevitably coloured. With respect to bilateral agreements, JACOLA argued that where State airlines were involved few problems were encountered. However, if another operator wanted to provide a service to an airport in a country of which the State airline was not ready to develop a corresponding service, either clearance was refused or permission to operate was granted with the proviso that if and when the State operator decided it wanted reciprocal facilities, it should have the right to ask its Government to "challenge" the status quo. JACOLA held that even if a licence was granted on appeal to the Minister, the prospects of the service operating remained slim since the same Minister in practice dealt with clearance under bilateral agreements. Whilst supporting an increase in the powers of the ATLB, JACOLA also proposed that the Board of Trade's terms of reference should be amended so that its principal duty should become fostering the development of civil aviation in the public interest. (75)

Evidence submitted to the Edwards Committee in 1969 was critical of the way in which the ATLB was not in a position to issue clear statements of policy. In addition the reasoning applied to individual cases had not developed into a form of case law on which to judge the likely treatment of future applications. Applications had been dealt with on an ad-hoc basis with no attempt to develop viable route structures, thus a patchwork of unconnected routes had emerged. It was argued that in considering new licence applications too much weight had been given to the arguments of established operators regarding "wasteful duplication" and "material diversion" and that insufficient attention had been paid to the problems of developing air services from the regions. The Board was also criticised for paying insufficient attention to the difficulties of acquiring the necessary traffic rights in awarding international routes to airlines. (76)

Having considered such evidence the Edwards Committee also supported the reform of regulatory procedures and proposed the establishment of a

single aviation authority to discharge all regulatory functions in the aviation field. The Civil Aviation Authority was thus expected to issue route licences and other air service licences and to enforce adherence to their terms; initiate route structure reviews to strengthen the overall economic status of the industry; to investigate the financial health of civil air transport operators or travel agents associated in joint enterprises with airlines and regulate accounting procedures; to consult with and advise Government on regional aviation matters including air service subsidies; to review airline mergers and if necessary cancel, vary or confirm licences in the light of review; to ensure co-operation between the economic and technical regulatory authorities so that safety standards would not be impaired by financial or managerial weakness; to collect, prepare and issue statistical and financial data for the UK civil air transport industry on a standardised basis; to make and publish economic studies on important aspects of air transport; and to consider representations from consumers regarding air services. (77)

Although the provisions above may be regarded as contributing towards a strengthening of the licensing authority's role, it is important to note that broad policy remained the responsibility of the Minister whilst implementation remained the responsibility of the Authority. (78) The establishment of a Civil Aviation Authority on the lines proposed involved a number of constitutional and administrative innovations and within the terms of policy the Authority had substantial discretion, with the ability of the Board of Trade to intervene in detailed decisions being limited. However, the Authority was by no means an independent body. (79) In particular, the Government held that there were difficulties in the recommendation that the courts, or a special judicial tribunal, should hear appeals on the issue of consistency of decisions with declared policy. It was held that any formal policy statement, being concerned essentially with economic criteria, was unlikely to be expressed in terms lending themselves to judicial interpretation. In effect, consistency of the Authority's decisions with policy could best be judged by the Board of Trade which would have drawn up the policy statement. (80)

The powers ultimately granted to the CAA were more limited than those envisaged by the Committee in another very significant respect. The Edwards Report had proposed that the CAA should be responsible for

the main negotiation of international traffic rights for UK airlines and requests for reciprocal rights by foreign airlines, in association with the Foreign and Commonwealth Office. (81) However, central government maintained that international negotiations on civil aviation had to remain the responsibility of Ministers. In other words, it would not be appropriate or practicable to charge the CAA with the duty of conducting international discussions on traffic rights or other civil aviation matters like the acceptance and discharge of obligations under the Chicago Convention. Thus the Board of Trade retained direct responsibility in matters involving wider considerations than the Authority would be "competent to decide" such as international matters. It was decided that the Authority should have an advisory role in the negotiation of traffic rights and should, where appropriate, provide members of the UK delegation for international negotiations and meetings. (82) In subsequent years, the Civil Aviation Authority has itself pressed for a strengthening of its powers and duties to promote the sound development of the industry. However, Government has consistently maintained that the statutory framework is sufficiently flexible and adaptable to allow the competitive development of airline services. (83)

From the foregoing it is argued that the frequent changes of Ministerial responsibility for civil aviation in the UK have been reflective of uncertainty regarding the appropriate statutory framework for achieving national objectives. Ministerial responsibilities have not grown up as the result of anything remotely resembling a comprehensive and continuously evolving Government policy for transport. In the main, changes have been brought about more by the compulsion of events; problems have posed themselves and answers have had to be found in legislation and administration. The fundamental conflict between Ministerial responsibilities and those of the quasi-independent licensing authorities has been the outcome of a conflict of interests between those who deem themselves the custodians of the UK's international interest and thereby seek to protect the interest of State airlines and those who regard themselves as being more directly concerned with user interests.

It is clear that regulation of the civil air transport industry is justifiable on the grounds of safety, which in itself implies an element of economic regulation. However, all Governments have to

pursue particular national objectives. Prior to the Second World War, UK objectives were primarily military and strategic as reflected in the arrangement of Ministerial responsibilities, whilst in the post-war era these objectives gave way to protection of the interests of national airlines with a view to maximising the industry's contribution to economic growth and the balance of payments. Clearly, similar objectives have been pursued by other nations as reflected in the principle of reciprocity in bilateral arrangements. The fundamental influence of the pursuit of national objectives within the regulatory framework has contributed towards the centripetal tendency of airports internationally and it is argued that inevitably the interest of regional air passengers and airports alike have been of secondary consideration. It is suggested that the growth experienced at Manchester Airport has been in spite of rather than supported by the international regulatory system and the pursuit of national objectives. Furthermore, it is argued that growth would not have been achieved without the incidence of continued pressure exerted at the local institutional level.

6.3 OWNERSHIP AND COMPETITION POLICY

In addressing the issue of ownership and competition policy within the airline business, it is interesting to note that with regard to transport in general, two broad principles have governed the approach adopted by the State in the UK. Firstly, successive Governments have thought that transport should, as far as possible, be financially self-supporting and a source of strength to the economy, rather than a burden. Secondly, the State has avoided becoming involved in the direct operation of transport except in war-time, where special needs apply. (84)

As the State has to try to settle difficulties between providers of different forms of transport and indeed between providers of the same form of transport, from time to time the Government has had to regulate competition. There is general agreement that unrestricted competition in transport may react in the long-run to the disadvantage of both providers and users of the service. This has been the general conclusion of many investigations, for example, the Royal Commission on Transport, 1928-31, and other committees examining specifically the difficulties of civil aviation before the Second World War. The

Commission of 1928-1931 found that unrestrained competition had resulted in uneven provision of service; lack of facilities for sparsely populated areas; badly maintained and possibly unsafe transport and the inability of companies or individuals to set aside sufficient sums for depreciation and development. (85)

In many respects, these conclusions regarding the effect of competition in transport were reflected in the early years of development of the civil air transport industry following the end of the First World War when the industry was expected to "fly by itself". (86) Companies like Air Transport and Travel Limited, and Handley-Page Transport Limited began the first regular services from London to the Continent in the months following the cessation of hostilities. These companies ran without subsidy despite a recommendation by an Advisory Committee set up by Winston Churchill, that Government assistance to a maximum of £250,000 should be given for the years 1920/1 and 1921/2. With inadequate finance and heavily subsidised competition from French airlines in 1920 British air transport companies faced liquidation - in February 1921, British air transport ceased altogether. (87) The international nature of the industry and the ferocity of competition, universally Government supported, was to inevitably lead to the evolution of a policy of Government assistance in the UK and to the concentration of national effort into a limited number of airlines as chosen instruments of Government policy to win the maximum share of world trade. (88)

After the collapse of private air services, a committee of inquiry was set up under Lord Londonderry in March 1921, which devised a temporary scheme involving subsidy for the first time. A subsidy of £75,000 in one year allowed Handley-Page and Instone Air Line to re-open the London to Paris Service. (89) In April 1922, Daimler Hire Limited joined the two companies already operating the route. Each of the three companies were given subsidy agreements, but despite this financial support it soon became apparent that competition between the airlines was uneconomical. Arrangements were thus made whereby Handley-Page Limited took over the London to Paris route, Instone Air Line ran from London to Brussels and Cologne and British Marine Air Navigation operated a service from Southampton to Cherbourg, Le Havre and the Channel Islands, all with subsidy. (90)

Manchester's aerodrome benefitted from the subsidy to a limited

degree. Daimler Hire Limited, the parent company of Daimler Airways was allocated a maximum of £55,000 a year for services from Manchester to London and on to Amsterdam, Hamburg and Berlin. The Manchester to London service opened on 23 October 1922. However, the service was short-lived. Although companies strove to establish internal and continental air services success was limited in this infant industry characterised by a large number of relatively small private operators whose future could not be assured. (91) Government policy supported this fragmented industry and gave little encouragement to look beyond largely localised and short-haul routes. In giving aid the State took no account of the needs of the British Empire of Nations - contrary to the recommendations of the 1919 Advisory Committee. (92)

In January 1923, another Committee of Inquiry under the Chairmanship of Sir Henry Hambling, investigated the position regarding Civil Air Transport Subsidies. The Committee was of the opinion that the principle of competition had effectively been breached under the 1922 subsidy scheme, as definite routes had been allocated to each of the four participants. The Government accepted a recommendation that a single commercial organisation with a privileged position with respect to subsidies was a more viable structure for the industry as a whole. (93) The four operating companies (Handley-Page, Instone, Daimler and British Marine Air Navigation) which had been involved in the cross-Channel subsidy and held assets worth £148,750, were merged at the end of 1923 with Imperial Airways Transport Limited, a temporary company. By 31 March 1924, re-organisation was complete and the £1 million British flag carrier, Imperial Airways Limited, started its first services to Paris on 26 April. (94)

Financial assistance was given with the object of enabling civil aviation to eventually become self-supporting, thus only those routes which afforded the best prospect of economical development from the point of view of passenger and mail traffic were eligible. The first subsidy agreement between the Air Ministry and the new organisation was made in 1924 when a total of £1 million was made available over a ten year period, the subsidy payable in the first four years being £137,000 per annum reducing to £32,000 in the tenth year. (95) By 1927 Imperial Airways were operating between London and Paris, Basle, Zurich, Ostend, Brussels and Cologne on the Continent. A weekly service between Southampton and the Channel Islands was also in operation. (96)

However, the successful inauguration of a Cairo-Basra route was sufficient to convince Sir Samuel Hoare, the Secretary of State for Air, of the great importance of using civil aviation as a means of communication with the Empire. So the thrust of Government policy was redirected towards the development of Imperial routes, especially from England to India and South Africa whilst operations in Europe continued to be restricted to the most remunerative routes. (97) On 1 April 1929 new subsidy arrangements were invoked with £2.49 million being spread over ten years. However, nearly £2 million of this grant aid was to be made available in the first six years to meet increased responsibilities and the costs of route development and aircraft procurement. (98)

Generally, the City of Manchester benefitted little from these early subsidy schemes. In May 1930 Imperial Airways proposed to run a first-class service between Liverpool, Manchester, Birmingham and Paris or Cologne making connections with other parts of the Continent. The proposed route was not eligible for Government subsidy and so it was proposed that each of the three local authorities involved on this side of the Channel should make a grant of £1,000 to Imperial Airways. Experience at this juncture proved that whilst central government was unwilling to subsidise regional air services, at the same time local authorities would not be in a favourable position themselves to support the development of civil air transport financially. During negotiations the Manchester contingent had expressed concern regarding the precedent that would be set by subsidising a company like Imperial Airways which already received financial aid for the establishment of new services. In particular it was stressed that stiff opposition would probably emanate from other transport interests. At the time Imperial Airways was regarded as essentially the Southern Railway Company by another name and this company was in direct competition with the Northern railway companies. The railways and other transport authorities being large ratepayers in the City could legitimately object in the courts. At the end of the day, Manchester City agreed to pay the £1,000 subsidy but by October 1920, the London, Midland and Scottish Railway Company had raised a formal objection, as ratepayers, to being "saddled with the cost of subsidy to one particular form of transport", questioning the powers under which authority for payment to an independent air service had been granted. (99)

As far as provision for internal air service is concerned, by the end of 1933 proposals were drawn up for a new airline jointly owned by the four mainline railway companies and Imperial Airways (the latter providing technical facilities and air crews). Railway Air Services was registered in March 1934 with the declared objective of operating regular and reliable internal air services. (100) However, a gap remained in the European market because the resources and subsidy of Imperial Airways were not equal to the task of developing both Empire and European routes. Attempts to bridge the gap were made with the nomination of British Airways - an aggressive home-based operator formed in October 1935 by the merger of Hillman Airways Limited, Spartan Air Lines Limited and United Airways Limited - as the second chosen instrument. (101) The Company's internal air services were allocated to unsubsidised companies when it assumed the operation of subsidised European routes from London, complementing Imperial Airways' operation out of the capital. All other European routes were operated by unsubsidised companies who, in an effort to compete with the two chosen instruments, similarly centred activity on London. In essence then, the provincial airports in the UK had to vie for the limited internal air traffic handled by a large number of smaller companies which received no financial aid. (102)

As suggested earlier the Maybury Committee had investigated the operation of internal air services in 1935/6. The Committee had regarded routes connecting the major trading and manufacturing centres as being those which would demand speed and thereby create a sufficient volume of traffic to provide a remunerative business for the airlines. To this end, the Committee recommended that development should be over selected routes and to overcome the uncertainty which characterised air operations at the time, the industry should concentrate on a few of the most promising routes. It was deemed essential that the operation of regular passenger services on these routes should be secured by means of a licence to a single company or to a combination of companies working on the closest terms of co-ordination. (103) In essence, the recommendations of the Maybury Committee were embraced by Government and the Air Transport Licensing Authority was set up in 1938 to rationalise domestic air services. However, in the same year, the Cadman Committee commented on domestic air services as follows:

"The Maybury Committee on internal air transport reported just over

a year ago and, although some progress has been made towards the re-organisation, which they envisaged, the picture, as disclosed to us, remains virtually a black as they then painted it." (104)

Whilst commenting on the state of internal air services, primarily the Cadman Committee was concerned with the external operations of Imperial Airways and British Airways. Under pressure of mounting criticism in Parliament, the Committee recommended that British external air transport should be handled by a small number of well founded organisations; British companies should not compete on the same routes; Imperial Airways should concentrate on long distance services and there should be close working liaison between Imperial Airways and British Airways. Whilst accepting these recommendations, the Government went further in deciding that nationalisation of the industry was the key to future development. (105) The British Overseas Airways Act, 1939, effectively merged the interests of Imperial Airways and British Airways into a single corporation, BOAC, which would not work for profit, but would receive subsidy to secure the fullest development consistent with economy of efficient overseas air transport. (106) It is interesting to note that in civil air transport such arrangements reflected the general pattern in other countries and ante-dated the post-war nationalisation of certain other important industries. (107)

The frequent changes of ownership and competition policy in the inter-war years reflected a basic uncertainty in the minds of those in Government about the most effective way of developing air transport. (108) However, the general trend in policy was towards rejection of unfettered competition which had produced an unstable environment in which fledgling airlines had found it impossible to gain sufficient profits to enable them to develop their route networks. The resulting financial instability and poor standards of safety were generally regarded as not being conducive to an industry which was at such an early stage of development. To eradicate the effects of what was perceived as too much competition, governments had initially introduced a system of route licensing in order to limit market access and, in certain instances, capacity. Effectively, the role of the Air Transport Licensing Authority in the UK was, for instance, mirrored by the Civil Aeronautics Board in the United States. However, at the end of the day, nationalisation had been regarded as the most effective

means of exercising control. (109)

With the onset of war, at the request of the Air Transport Command, the newly created BOAC began to operate a land-plan trans-Atlantic ferry service for bomber pilots. At the cessation of hostilities, BOAC found itself in the dual position of being at the same time, an operational company and a national institution, as the nation's "chosen instrument" for the promotion of air transport overseas. However, the status of "chosen instrument" did not necessarily imply monopoly, as suggested by Lord Knollys commenting on behalf of BOAC management:

"We in British Overseas Airways look upon ourselves as trustees, for the time being, for whoever may be called upon to operate British air services abroad. We have no excessive ambitions to run all services ourselves or by ourselves. We do not yet know what part private enterprise or other transport interests such as shipping or railways will play in these overseas communications." (110)

In effect, the wider issues referred to by Lord Knollys were for Government to decide and as the war years drew to a close, the general policy and structure of the civil air transport industry in Britain in the post-war era began to emerge with the publication of Government White papers entitled British Air Transport (Cmd 6605) in March 1945 and British Air Services (Cmd 6712) in December 1945. The industry was to be influenced by the belief of those in Government and those involved in land and sea transportation that the competition of air services "must be met in the air". (111) It was argued that national and Commonwealth interests as well as the interests of older forms of transport could not be served by attempting to retard or restrict new methods of carriage; indeed such interests would be best promoted by creating and fostering the most effective air transport system at home and overseas. Towards this end, the criterion as to whether a particular route should be flown or not would not be purely commercial profitability. It was maintained that there were services which were essential in the public interest, but which offered little or no prospect of a direct financial return. It was postulated that if unlimited competition was to be the order of the day, competing services would be concentrated on remunerative services and the taxpayer would have to subsidise air services which were desirable for social or public reasons. On the other hand, it was held that if an air transport undertaking was assured the exclusive right to operate a sufficient proportion of remunerative services and to develop these to

the full, they should accept the obligation to run unremunerative services as part of the general air transport system. Therefore, it was the Government's general intention that undertakings granted the right to run air services within the UK and between the UK and other countries should possess rights on their allocated routes to the exclusion of other UK operators. Thus in an attempt to foster civil air transport, an agreed schedule of European and internal UK routes was to be assigned to individual operators. (112)

A fundamental principle embodied in "British Air Services" was the movement away from the single chosen instrument philosophy because of the need for flexibility in meeting international competition and the necessity for encouraging different methods of approach to techniques of airline operation. The Government also sought to create a pool of knowledge and experience to meet the needs of the rapid expansion of air travel which was expected. (113) The tentative plans which the Government laid in 1945 for the development of air transport services culminated in the presentation of the Civil Aviation Bill to Parliament in the following year. One of two principal objects in the Bill was to secure the development of air transport services by corporations operating under public control and, to this end, the existing BOAC and two new corporations, British European Airways and British South American Airways, were to "provide air transport services and to carry out all forms of aerial work", whether on charter terms or otherwise, in any part of the world. (114) Each of the three corporations were allocated specific spheres of operation. BOAC was to operate routes between the UK, the other countries of the Commonwealth and the Middle East; routes between the UK and the United States and routes between the UK and the Far East. BEA was made responsible for routes between the UK and the European Continent and routes within the UK. Finally, the British South American Airways Corporation was to operate between the UK and South and Central America. (115)

The Civil Aviation Act 1946 also established the power of the Minister to direct the Corporations to undertake or discontinue any activity. In respect of the Corporations' rights to borrow funds and update or issue stock, the Minister also had power to prescribe regulations to apply to the issue, transfer, redemption, etc of such stock. The borrowing powers of the Corporations were limited to £50 million for BOAC, £20 million for BEAC, and £10 million for the British

South American Airways Corporation. With regard to the necessary losses which might be incurred by the Corporations, the Minister had power, with the consent of the Treasury, to relieve this financial burden by making annual Exchequer grants available. (116) Ministerial control extended into the realms of aircraft procurement policy, with the stipulation that British aircraft should be utilised - Ministerial influence over the selection of aircraft being exercised through the Treasury's financial control of the capital expenditure of the Corporations. (117)

The exceptionally close relationship between the Minister and the "chosen instruments" which was inevitable, was therefore made closer by public ownership imposing special responsibilities on the Minister. However, despite control, management like those of other nationalised industries had full discretion in commercial judgement. Planning routes and services; aircraft maintenance and other engineering arrangements; passenger and freight handling procedures, sales, advertising and labour relations were all matters in which it was felt that the Ministry had a positive responsibility not to interfere. (118)

As far as Manchester's Airport Committee is concerned, it is clear that the Government's plans for the future development of the industry were viewed with some trepidation. The Committee pressed the point that in agreeing schedules for European and internal UK routes provision should be made for direct services from Ringway to other centres of population and industry in the UK and on the Continent as soon as possible. Whilst it was difficult to discern from the general tenor of the emerging policy what the Government's intention might be in respect of Ringway, it was decided at the early stages of policy formulation in 1945 that any suggestion that oceanic services should be based primarily at London and Prestwick Airports, with feeder lines operating from Manchester, should be resisted. It was suggested to Government that an immediate decision regarding the location of inter-continental and trans-continental airports was needed as construction would be a long-drawn out process. It was postulated that any uncertainty regarding the Government's plans would only lead to ambitious development schemes which could not all be expected to come to fruition. (119)

In attempting to foster the development of air services from Manchester in the post-war years, the most pressing concern of the

Manchester Corporation was that the State operators might not be prepared to operate through Ringway in the post-war period, tending to concentrate on operations from London. Whilst the three Corporations were required to prepare three-yearly programmes of air services, no provision had been made to ensure that programmes would be available to the public for scrutiny. In effect the machinery which had allowed for representations to be made regarding proposals for air services in the years prior to the war, involving the Air Transport Licensing Authority, was not to be resurrected. Representatives of the Manchester Corporation voiced these misgivings at a meeting with the Minister of Civil Aviation, Lord Swinton, in June 1945 and in summarising the Government's intentions at that time, Lord Swinton suggested that the primary basis for assigning air services to selected operators would be "taking the rough with the smooth". Private independent operators could apply to run a service which was not an assigned one and foreign operators could be granted permission to operate a service into and out of the UK so long as the designated Corporation could join the route as and when they wished to on a 50/50 basis. (120) This suggestion implied that the field was open for the authorities in Manchester to take the necessary action to encourage the use of their airport by both foreign and independent operators if the State Corporations proved reluctant to operate services through Ringway - a factor which was to be crucial to the early post-war development of the Airport.

As previously stated, provision had been made for the earned revenue of the Corporations to be supplemented by grants from public funds to meet the unavoidably heavy expenses of starting anew and developing after the war, and to enable them to run services required in the public interest which were not attractive commercially. For the initial eight month period from 1 August 1946 to 31 March 1947, the total grant was not to exceed £10 million and a similar maximum figure was set for the year ending 31 March 1948. For each of the eight subsequent years, a sum not exceeding £8 million was authorised. The Civil Aviation Act provided that for the eight months 1 August 1946 to 31 March 1947 losses - since they could not be adequately estimated for this period - should be made good by a deficiency grant. For each subsequent year, however, the Corporations were required to submit to the Minister a programme of services which they proposed to operate

during the year, together with a financial estimate based on that programme. After considering the programme and estimate, the Minister and the Treasury were to determine whether a grant was required for the year and if so, on what basis it should be calculated. (121)

The Corporations were obliged to submit to the Minister an annual report and an audited statement of accounts in a form "conforming with the best commercial standards". The reports and accounts of the three Corporations for the year ending 31 March 1947 showed the following financial result:

BOAC:	A deficit of £8,076,844 for the full year to 31 March 1947
BEA:	A deficit of £2,157,937 for the period 1 August 1946 to 31 March 1947
BSAA:	A surplus of £20,507 for the period 1 August 1946 to 31 March 1947. (122)

From 1 April 1946, internal air services continued to be operated by private companies as agents or associates of the British European Airways Corporation. The Associated Airways group of companies was taken over by BEA on 1 February 1947; Allied Airways (Gander Dower) Limited on 12 April and Channel Island Airways on 1 April. During the period of 1 April 1946 to 31 January 1947, a deficit of £359,868 was incurred by these companies operating internal services, which was also shown on the BEA balance sheet. (123)

In principle then, the Civil Aviation Act 1946 established a monopoly of scheduled air services for the State Corporations supported by subsidy arrangements. However, it is clear that financial support for the industry was not regarded as a long term prospect. Indeed evidence suggests a fundamental distaste of direct subsidisation even in the immediate post-war years. In British Air Services (Cmd 6712) emphasis had been placed upon the need for air services to become self-supporting, paragraph 17 stated:

"it is the view of His Majesty's Government that air services should be made self-supporting as soon as possible. They will seek by international agreement to eliminate all forms of subsidy. His Majesty's Government recognise, however, that if air transport is to fulfill its function of providing services in the public interest, some measure of State aid may be necessary to support essential but unremunerative services." (124)

In 1956 the Minister of Transport and Civil Aviation commented in the Commons:

"I am glad to say that I see no immediate reason which could necessitate the extension of the Exchequer Grant Provisions of the Air Corporations Act, 1949, when they expire on 31 March 1956. I am

delighted that the air corporations can stand on their own feet."
(125)

Whilst initially in receipt of subsidy the State Corporations, which had been reduced to two by the merging of BSAA with BOAC in 1949, had become self-supporting before the end of the subsidy period. (126)

As far as the independent operators in the industry are concerned, in the immediate post-war years they were excluded from the operation of scheduled air services and were expected to develop the charter market. However, by 1948, a number of private companies were operating successful charter services and pressed for permission to operate scheduled services at peak periods and on routes not operated by the Corporations. Lord Douglas of Kirtleside was appointed by the Labour Government to advise on the possibilities of allowing private companies to operate scheduled services complementary to those of the Corporations. The Douglas Report recommended that operation of supplementary services should be permitted under certain conditions. For example, services were not to overlap with the existing or planned services of the Corporations; the granting of Ministerial approval was essential along with the institution of associate agreements with the Air Corporations. (127) Section 24 of the Air Corporations Act, 1949 thus reiterated the position of the two Corporations as the chosen instruments of British civil aviation policy but reserved to the Corporations and its associates the operation of all scheduled air services touching the UK. (128) Those companies which proposed to operate as associates were required to make application to the Air Transport Advisory Council which advised upon those services which should be permitted. Associate agreements with the Corporations were concluded for a limited period of two years only. (129)

Whilst initially the activities of independent operators were strictly related to and tied in with those of the State Corporations, the Berlin Airlift of 1949, which at its peak of operation had involved a fleet of 48 aircraft owned and operated by 23 private airlines, did much to change the status of private companies in the industry. Much operating experience had been accumulated; the Government had become convinced of the value of the private airlines as a military transport reserve and finally financial stability had been secured as a result of having been involved in a large scale transportation operation. In an effort to preserve the private airlines as a reserve fleet "trooping"

movements became their prerogative as the Ministry of Civil Aviation acquired an undertaking from the Corporations in 1951 that they would not acquire aircraft for charter work, but would only carry out ad-hoc charters with capacity left over from the scheduled services. (130) In addition, the Conservative Government sought to widen opportunities for the private airlines in other ways. Thus the terms of reference for the Air Transport Advisory Committee were modified. Private airlines could apply for permission to operate any routes except those which were specifically reserved to the Corporations and the Council could recommend the Minister to accept operation so long as there was "no material diversion of traffic" from the Corporations. (131)

The independent operations could - on equal terms with the Corporations - develop new routes and types of service which would not conflict seriously with the Air Corporations' established network. Under these informal licensing arrangements various new types of service were developed, among them some new scheduled services especially on domestic routes; low fare services to the colonies; vehicle ferries and most importantly inclusive tour services to the Continent. (132) In particular, private airlines were encouraged to expand into the inclusive tour market in the 1950s, although even in this area operations remained closely controlled. The tour promoting agency and the airline together had to make application to the ATAC to operate a number of specified services to destinations. ATAC then reviewed the application, hearing the observations of all interested parties. Basically, the Council had to ensure that the total number of services approved was not excessive and that operation in parallel with normal services was only permitted "provided that such services are not likely materially to divert traffic which could otherwise be carried by any operator already authorised for the route". More importantly, the main protection for scheduled services was given by the condition that the price of Inclusive Tours should not be less than the full applicable fare on normal flights. Indeed the promotion of IT holidays was not left entirely to the private operators and more Inclusive Tour passengers in the 1950s were carried on BEA scheduled flights than on flights operated by all of the 30 private airlines together. (133)

As far as the impact of the early post-war competition policy on Manchester Airport is concerned, it is argued that the involvement of private home operators and foreign airlines were more significant in

promoting growth through their demonstration effect than the exercise of quasi-monopoly powers by the State Corporations, supported by grant aid. An apparent reluctance on the part of BEA to serve the less popular domestic routes was countered by the activities of several small resident airlines. From 1 April 1947 BEA assumed responsibility for the services formerly operated by Railway Air Services and Isle of Man Air Services from Ringway. Plans for scheduled air services to operate in the Summer did not contemplate the opening of any new services thus only routes to London, Belfast and the Isle of Man were envisaged. By December 1948 the Company was considering the withdrawal of the service to London which had only commenced in December of the previous year. It was claimed that the prevailing economic conditions and a lack of public support were responsible. However, the Town Clerk criticised the Company for having decided to withdraw on the basis of experience at the worst time of the year. Foreign operators at the time ran services to the capitals of France, Belgium, Holland and Eire and the discontinuation of the service to the home capital was seen to be reflective of BEA's negative approach. In April of 1949 BEA also decided to withdraw its service to the Isle of Man. (134) The most substantial of the private operators to fill the gap left by BEA was Sivewright Airways who flew DC3s, DH Dragon Rapides and Miles Aerovans on summer only routes to Jersey and Ronaldsway, until BEA re-possessed the licences in 1951. (135) Similarly, as highlighted previously, BOAC's disdain of Manchester as a trans-Atlantic terminal was offset by the long-haul operations of several European flag-carriers. In 1951 the Airport Committee at Manchester had accused the Corporation of showing no interest in operating from Ringway and it was maintained that if BOAC did not "buck-up" it was certain that the Scandinavian airlines would grasp the opportunity at Ringway and it would not be long before they were operating trans-oceanic flights from the Airport. (136)

Evidence suggest that in the early post-war years contrary to stated policy, the criterion as to whether a particular route should be operated or not by the Air Corporations was commercial profitability to the virtual exclusion of the public interest - a condition which was reflective of the desire to minimise subsidies. Indeed, it is argued that even in applying this criterion rather than pioneering new routes which offered the prospect of reasonable financial returns, the

Corporations preferred to allow other airlines to demonstrate their viability first, only embarking upon certain routes at that stage. Particularly in the international field it is suggested that any preference on the part of the Corporations to operate out of Manchester was induced by the need to counter the efforts of foreign operators to develop the market potential of Manchester's natural extensive catchment area.

It has been suggested that ownership and competition policy and the consequent system of route licensing established in the early post-war years was geared primarily towards the limitation of market access and sometimes capacity in order to promote the development of a route network in an industry where instability meant that fledgling companies could not realise sufficient profits to survive. By the 1960s however, the British civil air transport industry was reaching maturity, carriers had established substantial route networks and were largely financially secure. By this time, there was an increasing likelihood that the limitation of competition would lead to high fares and inefficiency. (137) Whilst the activities of the independent sector had been circumscribed during the 1940s and 1950s, a degree of liberalisation was therefore introduced with the Civil Aviation (Licensing) Act, 1960.

In effect the 1960 Act ended ten years of licensing of scheduled services being authorised by the device of associate agreements and being operated through an advisory body. The Air Transport Licensing Board was set up with powers to licence scheduled air services and more formal procedures for licensing were introduced. Basically, application by an airline for a licence to operate a new route or to change an existing route was followed by a public hearing of the application and objections. The ATLB judgement on the application could be the subject of appeal to the Minister, in which case a Commissioner would be appointed, another hearing would take place and the ultimate decision whether or not to accept the Commissioner's decision would rest with the Minister. (138)

Another major change introduced by the 1960 Act was the repeal of Section 24 of the Air Corporations Act which made parallel operations by British airlines possible on all routes and gave private airlines equal legal status with the Corporations. During the period of associate agreements, there had always been a list of reserved routes

which were the exclusive province of the Corporations. Whilst repeal of Section 24 ended exclusive rights it should be explained, however, that reserved routes remained a protected market covering the most important traffic flows to and from the UK, liberalisation purely took the form of allowing private airlines to acquire a licence for parallel operations. (139)

Coincidentally, the modification of licensing arrangements was accompanied by an increasing trend towards merger in the independent sector. In 1957 30 companies had operated in this sector but this had reduced to 20 six years later. Airwork Limited, which had been founded in 1928, had acquired control of Hunting-Clan Transport Limited; Transair Limited; Air Charter Limited; Channel Airbridge Limited; Morton Air Services Limited; Silver City Airways Limited; and other companies. Collectively these interests surrendered their independent identity to form British United Airways, the largest company operating in the private sector. At the same time, shipping companies became involved in air transport. For example, the General Steam Ship Company purchased Eagle Airways in 1960 and formed Cunard Eagle Airways as a wholly owned subsidiary, as a means of breaking into the North Atlantic air travel market in the face of the relative decline of sea traffic. (140) In essence, Cunard Eagle and BUA represented the major challengers in the independent sector to the hold of State Corporations on scheduled air services.

Evidence also suggests a tendency on the part of the State Corporations to acquire interests in the more successful independent companies. For example, Cambrian had represented a relatively successful Cardiff based airline. As BEA sought to satisfy Welsh aspirations, 33% of company shares were acquired. In 1963 co-operation was further cemented when Cambrian assumed operation of the network of routes from Manchester and Liverpool to Belfast and the Isle of Man previously operated by BEA. These routes had registered losses in 1962-3 of £468,000 and it was hoped that the smaller company involving lower operating costs could successfully provide this kind of special small-scale service. (141) Cambrian's Manchester network at the time thus served Bristol, Cardiff, Glasgow, Liverpool, Ronaldsway and the Channel Islands and as these routes prospered, BEA was prompted to increase its stake in the Company to 100%. (142)

Clearly the independent and State sectors of the industry were

attempting to consolidate their interests in prospect of fiercer competition. However, it is clear from an examination of the early reports of the ATLB that the Board remained conscious of the need to balance the encouragement of competition against the need to protect the public interest in a number of spheres:

"the prospect of greater efficiency in methods has to be weighed against the higher costs that may result from duplication, or under-utilisation, of resources and facilities; competition may lead to the neglect of less financially rewarding services; and competitive advertising does not in the long run always work to the benefit of the consumer or of the producer. Each case therefore must be judged on its merits and we would not be discharging our statutory duty if we licensed competition on routes where the benefits would clearly be outweighed by the wasteful provision of resources or the waste of facilities already being provided . . . the main purpose of licensing is to prevent unregulated competition which in the long term is damaging both to the interests of airlines and the travelling public despite the obvious and superficial short term attractions." (143)

Whilst protection of the public interest may have assumed priority in theory it is argued that given the tendency to base decisions upon evidence placed before it at hearing rather than conducting investigations, the ATLB assumed a passive role which meant that the statutory monopoly of the State Corporations was replaced by a form of licensed domination administered by the Board. (144)

Generally, in placing their arguments before the Board, the independent and State airlines formed two diametrically opposed camps, interpreting the state of the industry in entirely different ways. In the international field the private sector argued that the potential of the air travel market was greater than the volume developed by the State airlines and that if they were given a share of the scheduled operations, they could stimulate more rapid growth so that the State Corporations could still achieve their planned rate of growth. The State Corporations, on the other hand, generally argued that there was no need or demand for the proposed services of the independent sector; that their own routes were fully adequate and new services would involve material diversion from and the wasteful duplication of their services. In addition, it was argued that the State airlines' position under inter-governmental air agreements and under commercial agreements closely associated with them would similarly be adversely affected. In essence, it was claimed that whatever the wording of individual bilateral agreements, foreign governments interpreted them in such a

way as to envisage an approximate 50-50 division of traffic between the airlines of the two countries involved. Whilst commercial pooling agreements with most foreign airlines operating in parallel ensured that the Corporations achieved at least a 50% share of the traffic on routes operated, if a second British airline were licensed the net result would be the diversion of traffic away from the Airways Corporations. (145)

In the domestic sphere of operation, private airlines maintained that the case for a second British airline to be licensed on the main domestic routes was stronger than on international routes because given the absence of foreign operators, effectively BEA continued to exercise exclusive rights. BEA maintained that any traffic carried by a newly licensed airline would be the product of diversion and this in itself would negate planned investment decisions and constitute wasteful duplication. BEA further maintained that if competitive internal services were licensed on any substantial scale, the Corporation would have to reconsider the policy of providing unprofitable "social services", especially in Scotland. (146)

Essentially, ATLB decisions in both the international and domestic spheres followed a single formula, that is, if the absolute level of traffic carried by the State airlines on any route was expected to be affected and the forecast rate of growth involved an insufficient margin for the operations of a second carrier to be based entirely on growth, then licences for operation would not be granted. (147) As far as applications to operate international routes are concerned, in November 1961, BUA was granted licenses for ten routes and Cunard Eagle four, all other applications for international services were rejected. (148) On domestic routes, licences were granted to Cunard Eagle for a once daily service on the trunk routes of London to Glasgow, to Belfast and to Edinburgh, but applications for London to Manchester and Liverpool were refused. (149) In addition, where licences were granted, the independent airlines were subjected to tight frequency limitations. For example, in the summer of 1968, on trunk routes from London to Belfast, Glasgow and Edinburgh, BEA offered 85, 55 and 61 flights per week respectively, British Eagle and BUA collectively were restricted to 29 flights per week between London and Glasgow; 12 between London and Belfast; and ten between London and Edinburgh. (150) In that year, the ATLB heard applications for BUA to increase the

maximum frequency of their Glasgow service from 12 to 17 journeys weekly and that of the Belfast service from seven to 12 weekly. British Eagle also applied for an increase in the maximum frequency of their Glasgow service from 12 to 22 journeys per week. All three applications were strongly opposed by BEA. At the end of the day, both of BUA's applications were granted but that of British Eagle was refused largely on the grounds that an increase in frequency from Heathrow seemed likely to involve more diversion from BEA's services out of that airport than would greater frequency from Gatwick at a time when the growth of traffic on the Glasgow route had slowed down. (151)

It may be assumed that the major problem confronting any licensing agency is how to judge the traffic volume necessary on any route to allow for the splitting of operations which will not give rise to a significant increase in the level of operating costs. (152) However, protection of existing scheduled operations may in itself inhibit the development of air traffic. In addressing this issue, the Edwards Committee, reporting in 1969 emphasised the need to look closely at the circumstances which make it necessary to encourage and protect scheduled services, thereby adopting a much more discriminatory policy between air services to different areas. The Committee held that in some areas there could be virtually no case for protection and maximum freedom should be granted to develop whole aircraft load services of all kinds. Conversely, on some routes preservation of scheduled services could be of considerable importance to the collective public demand. It was argued that in such cases, protection should be pursued unashamedly as a direct objective of policy. The Committee identified the need to distinguish between those scheduled services which are essential and those which are desirable. In recognition of the fact that circumstances would change from route to route and from time to time, it was recommended that a regulatory authority, which could keep the traffic requirements of all areas constantly under review and could modify the degree of protection accorded to scheduled services as market circumstances were seen to change, should be formed. (153) The Civil Aviation Authority was the regulatory authority to assume this role.

As far as competition on domestic routes is concerned, the Edwards Committee held that in the initial stages, the licensing authority should award licences to new and to established airlines in a manner

which would permit the development of full and equal competition over a pre-determined number of years. Thus the licensing authority would control the frequency of both airlines in a way which would allow them to share, though not necessarily equally, the traffic growth. One of the most far reaching recommendations of the Committee concerning the future structure of the UK airline industry and the nature of competition was the promotion of a "second force" scheduled airline licensed to operate a viable structure of long haul and short haul routes. It was suggested that BUA and Caledonian in association represented a potentially effective but not exclusive combination of operational experience; commercial organisation and technical and financial resources for the second force. However, it was stressed that some concession of Corporation routes would be needed to make the airline a viable proposition. (154) Whilst accepting the "second force" in principle, Government rejected the view that formation should be made conditional upon the transfer of a significant part of the Air Corporations' route networks. It was regarded as crucial to the future of the industry that the public sector airlines should be allowed to build on the positions of strength which they had achieved in the face of growing international competition and changes in the structure of their markets. Basically, the Government had no intention of imposing a pre-conceived re-allocation of routes on any airline which had borne the costs of developing the routes and was seen to serve them well. (155)

At the end of the day the "second force" airline, British Caledonian, emerged from the acquisition by Caledonian of BUA in 1971 and in the following year BOAC and BEA (and the latter's subsidiaries, Cambrian and BKS/North East) merged to form British Airways. (156) From this time, in an effort to foster competition, the Civil Aviation Authority adopted a consistent policy of, for example, refusing fare increases sought by BA to cover unreasonably high costs and withholding any measure of protection that it would not have given to any British operator. However, the structural imbalance in the industry remained. In essence, although from the 1950s onwards independent operators had been given progressively increased opportunities to set up and grow alongside the State Corporations, by 1970 State interests had still accounted for 69% of the total output (measured in available tonne kilometres) of the UK airline industry and 93% of its output on

scheduled air services. Despite the CAA's efforts to further widen opportunities for other airlines by 1982, BA accounted for 65% of total output and 81% of output on scheduled air services.

BA had not only become the only British airline allowed to operate international services from Heathrow (British Caledonian was a Gatwick-based operation), but also operated the bulk of all international scheduled services by British airlines from Manchester. (157) However, although assuming a dominant position in Manchester, the merger of State interests proved to accentuate the nationalised sector's emphasis on Heathrow as a hub airport, and Manchester was severely affected by the new company's provincial cut-backs. Trans-Atlantic services were initially reduced drastically and then suspended completely in 1981, whilst many European services were dropped along with the domestic schedules to Edinburgh and the Isle of Man. Most of these routes were subsequently picked up by independent operators: Laker Airways (already a major trans-Atlantic charter operator from Manchester) began a schedule to New York; Loganair took the Edinburgh route; and the Ronaldsway service became the preserve of Air UK. As in the past, several new foreign airlines also sought to alleviate the effects of British Airways' entrenchment. (158)

In accounting for the continued dominance of the industry by BA it is clear that this has not necessarily stemmed from a record of superior performance in world markets. It is suggested that some advantage will have accrued from the status of predecessor corporations as statutory monopolies and the incumbent carriers on the majority of international routes in the post-war years which account for the major part of the British industry's business. (159) However, given that successive governments have rejected the concept of the "single chosen instrument", it is suggested that market dominance is also the product of initially, preferment at the expense of the independent sector, and subsequently, a lack of commitment to the multi-airline concept. (160)

It is clear that a single major airline policy has substantial disadvantages in the international field. Although it may be argued that competition with foreign airlines takes place on almost every international route served, direct competition is duopolistic. If a single national airline competes with its foreign counterparts within a highly regulated framework of bilateral agreements, there may be less incentive to develop markets or introduce new products, neglecting the

needs of would-be passengers. The duopolistic nature of competition is reinforced by the pre-determination of capacity on most international scheduled air services and the operation of commercial agreements with reciprocal carriers. Similarly, pre-determination and sharing of capacity; commercial agreements; controls over international fares and restrictions on traffic types carried tend to muffle indirect competition from sixth freedom and charter operators alike. A multi-airline policy may therefore be promoted in the best interests of the consumer. However, this in itself is likely to involve costs in terms of bilateral agreements and competitive strength. (161)

Basically, where other governments choose to favour State airlines by subsidy or restricting competition, international air services cannot be liberalised. This point may be amplified by a brief consideration of the mechanisms by which competition may be achieved. As previously suggested, the Edwards Committee report of 1969 supported direct route transfer as the key to fostering competition between UK airlines and addressing the structure imbalance which existed in the industry at the time. It is suggested that in rejecting this proposition government was wary of the possibility that any arbitrary reduction in the major airline's world route network would only benefit foreign competition by reducing market strength (particularly if the competitor taking routes over lacked the sales and marketing organisation necessary for development), which in turn could have precipitated a downward spiral across the UK industry as a whole, affecting adversely the balance of payments. It may be argued that appropriate route selection could avoid these effects. However, it is suggested that in an effort to minimise the effect of route transfer on market strength, it is likely that the most vulnerable and weakest links in the network would be offered to other airlines culminating in increased market domination by the national airline as a result of the transfer of marginal routes. (162)

It may be argued that route transfer neither represents nor encourages competition but constitutes purely the substitution of one monopoly for another. This has in fact been the position taken up by Manchester Airport in the face of domination of routes by the national carrier. It has been maintained in recent years that substitution of independent carriers for British Airways would down-grade the airport to a regional role, as a new carrier entering the market would not be

able to compete with BA offering services from Heathrow. (163) The airport owners have argued that the most effective way of satisfying user needs would be to allow British Airways or British Caledonian the first opportunity to operate direct international services from the major regional airports - if they declined for whatever reason then the operation of any new or existing route should be left to the commercial judgement of other airlines who would be able to decide for themselves and, to some extent, between themselves, whether any particular route could be made viable and at what frequency. (164) Other ways of increasing competition and reducing the structural imbalance of the industry in theory may be identified. These include multiple designation, or allowing several airlines to operate out of Britain to foreign destinations. Another is the so called "Freedom of the Skies" which allows foreign airlines which go from, for example, New York to Amsterdam to pick up passengers in Britain. The third method is the de-regulation of fares, or allowing airlines which operate from Britain to the same destination to charge the fare that they think appropriate, within the regulations that conform to safety requirements. However, it is argued that all are not easy to achieve within the framework of bilateral agreements. (165) To quote Mr Julian Amery, speaking to the Commons on 25 July 1984:

"It takes two to tango in this game . . . I have had a good deal of experience of negotiation with Communist Commissars, Byzantine bishops and oriental potentates, but never in my life have I found such tough bargaining as goes on over air traffic routes. It is far tougher than anything else that I have experienced." (166)

In essence, multiple designation and "freedom of the skies" are likely to involve difficulties similar to the concept of direct route transfer given the widespread interpretation of bilateral agreements which suggests an equal 50/50 split of traffic between two nations and the fact that many agreements are often framed in a form which designates the carrier concerned - there is no certainty that any change would be acceptable to the negotiating partner. (167)

As far as the de-regulation of fares is concerned, recent US experience on domestic routes suggests that structural imbalance would remain as the primary stumbling block to enhancing competition between airlines. Initially de-regulation allowed new entrants to come into the American market, some of which - the most famous being Peoples Express - offered cheap travel. This de-regulation changed more than

the number of passengers carried. When American airlines were bureaucratically hamstrung, they flew routes for which they had licences. Their route maps tended to consist of a series of dispersed parallel lines. They flew aircraft as large as possible on as few trips along these allocated routes as they could achieve, minimising unit costs. However, under the new freedom they grouped their services into convenient "hubs" where they were headquartered and from whence they flew along "spokes" to many more cities than before. At the same time competition forced them to offer more and more frequent flights using smaller aircraft. The establishment of "hub fortresses" gave carriers substantial advantages over new entrants as these were unable to match the level or range of services offered by the established firms. Meanwhile a rash of commuter and regional airlines, sometimes with links to the major carriers rushed to fill in the gaps in the route network. So there was not simply more people in the air but also disproportionately more aircraft carrying them contributing towards increased congestion. (168)

It has been claimed that in the first ten years of de-regulation from 1978 the gain to consumers was roughly \$100 billion. These savings delivered through lower prices contributed towards explosive growth in an industry which was supposedly mature. However, between September 1988 and February 1989 the major airlines increased their fares four times. Some argue that this was made possible because the biggest airlines created an oligopoly. The market share of the top eight fell from 80% in 1978 to 74% five years later, but by 1989 had climbed to 94%. The largest airlines adopted a number of methods to survive de-regulation and achieve this re-concentration of the industry. For example, American Airlines used their computer reservation system to obtain up-to-date information on how much travellers were willing to pay and where they wanted to go. Armed with this information, the airline was able to set a fare structure for the entire industry. Computing power coupled with financial muscle became the key to the success of major airlines. A big airline could use its CRS to price seats that would otherwise have gone empty at less than the cheapest a "no-frills" competitor could afford. This accounts for why, of 16 national airlines that were started after 1978, only four still operated in 1989. (169)

Essentially then it is argued that ownership and competition policy

for the UK airline industry has been largely dictated by the constraints of the regulatory system in the international field and this in itself has contributed towards a structural imbalance which is likely to remain whatever steps may be taken to attempt some form of liberalisation in licensing and pricing arrangements. Evidence from the US now shows that airlines when left to their own devices are able to control and in some instances dominate competition, thus it may be argued that government intervention is still necessary. (170)

After the First World War the UK strove for a free market regime but international competition inevitably lead to a policy of a "single chosen instrument" supported by Government assistance. Developments in the inter-war years suggest uncertainty regarding the most effective means of developing the industry, however, the clear direction of policy was towards the need to limit market access and capacity. After the Second World War tight regulation and control gave way to wholesale nationalisation in an attempt to ensure that the industry acted in the public interest and used Government subsidies to provide essential services. However, contrary to stated policy, the essential criterion determining the operation of a route by the State Corporations was profitability. As the industry began to mature in the 1960s, Government became increasingly aware that the overwhelming protection of State interests could lead to inefficiency and escalating fares, thus liberalisation of licensing arrangements on a limited scale was promoted and essentially what emerged was not competition but licensed domination by the State airlines. Whilst outwardly supporting the concept of the multi-airline industry, in practice Government has been reluctant to promote increased competition for fear of repercussions in the form of reduced market strength. This basic reluctance has been reflective of the fundamental difficulties of achieving liberalisation in a highly regulated international market where national airlines dominate and protection of national interests assumes first priority.

As far as the impact of ownership and competition policy on the growth of Manchester Airport is concerned, it is argued that during the early years of development of the industry little advantage accrued from either the subsidisation of routes or the protection of State airlines which tended to concentrate their efforts on the capital. Similarly, in the early post-war years growth owed much to the pioneering efforts of foreign airlines and independent operators who

were effectively disenfranchised by the State Corporations once they had proven the viability of routes. By the 1970s State interests had assumed a firm foothold at Manchester Airport. However, it is argued that the potential of the natural extensive catchment area was not fully realised as a result of the priority given to the limiting of self-diversion.

6.4 CONCLUSIONS

Within the civil air transport industry regulation may be justified on the grounds of achieving safe operations; this in itself implies some form of economic regulation. However, the regulatory regime which has emerged has been dictated more by the pursuit of national objectives which are in themselves contradictory. The need to protect the interests of national airlines for strategic reasons, and to maximise the contribution of the industry to the balance of payments, is not necessarily complementary to the objective of providing air services to consumers at lowest cost and promoting the development of a route network which satisfies all user demands.

The study of the development of UK regulatory agencies suggests also that the priority given to different objectives has changed over time, with military and strategic considerations partially giving way in the post war years to issues of user interests. However, it is argued that, effectively, protection of the "national interest" and the national airline has assumed priority despite outward protestations that the promotion of consumer interests were to assume greater significance. The conflict of interests between the major providers of air services and the interests of the consumer has crystallised in the UK into a confrontation between Ministers who guard the interests of national airlines in international negotiations, and the quasi-independent licensing authorities which have been more conscious of the need to promote user interests.

The difficulty of reconciling the pursuit of national interests with the needs of an international market has been manifested by the failure of early attempts to achieve the multi-lateral exchange of air traffic rights. The bilateral system which has emerged has tended to underpin the centripetal tendency of airports which detracts from the satisfaction of demand particularly in provincial areas.

As far as ownership and competition policy for the UK airline

industry is concerned, it is argued that overwhelmingly this has also been influenced by the nature of the international competitive environment, whereby within the regulatory framework priority has been given to initially establishing national airlines supported by Government assistance, and then protecting their interests. It is argued that under such a regime, despite protestations to the contrary, no single country can unilaterally promote liberalisation on any significant scale. Although the promotion of a multi-airline industry has been embraced in theory, little has been done to encourage restructuring of the industry in practice in the UK. Whilst the interests of State operators in scheduled air traffic have been protected, it has been left to the independent sector to develop new markets which are not so highly regulated.

It is argued that the growth of Manchester Airport was not positively promoted within the regulatory framework of scheduled air services, although obviously the growth of the Inclusive Tour market from the 1960s must have its origins in the fact that traditionally regulation in this sphere of operation has tended to be more liberal. Further it is argued that the structure of the airline industry which has emerged from the ownership and competition policy pursued in the UK has not tended towards the promotion of Manchester Airport. The nationalised sector of the industry has regarded the development of air services from the regions as a secondary consideration in their efforts to maximise gains from a policy of concentration on the central hub. It is suggested that had it not been for the recognition of the market potential of Manchester on the part of independent and foreign operators, the Airport would probably not have realised the International Gateway status awarded in 1978, as the key to attracting the interest of the State Corporations was the demonstration effect given by the activities of other operators.

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<u>Operating Company</u>	<u>Proposed Service</u>
Railway Air Services	London to Glasgow with intermediate landings at Birmingham, Manchester, Liverpool and Belfast; London to Glasgow with intermediate landings at Birmingham, Stoke, Liverpool and Glasgow; Glasgow to Belfast.
North Eastern Airways Ltd	Hull to Grimsby; Hull to Doncaster; London to Newcastle and Glasgow with intermediate landings at Doncaster.
Isle of Man Air Services Ltd	Isle of Man to Manchester with intermediate landings at Blackpool; Liverpool to Manchester; Isle of Man to Leeds/Bradford with intermediate landings at Blackpool and Liverpool.

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P A R T I I I

I M P L I C A T I O N S W I T H R E F E R E N C E T O
T H E P R O C E D U R E S A N D C O N D U C T
O F I N D U S T R I A L R E L A T I O N S

CHAPTER SEVEN

THE COLLECTIVE BARGAINING REGIME

7.1 INTRODUCTION

The aim of this Chapter is to provide an overview of the impact of ownership structures on the development of collective bargaining machineries to determine the pay and conditions of employment at UK airports. This Chapter, therefore, forms an essential preamble to Chapter Eight which considers the course of industrial relations at Manchester Airport under the impact of the various influences operating in the civil air transport industry as a whole.

The thesis as a whole concerns the development of a municipal airport. As a municipal undertaking the characteristics of local authorities as employers - as distinct from private sector or other public sector employers - can influence the development of collective bargaining. Municipal airport employees may be regarded as constituents of a broadly defined local government workforce and therefore may be integrated with others under the same terms and conditions of service. However, a municipal airport equally exists as an integral part of a specialised transport system, discharging specialist functions in common with other airports where different ownership structures may apply. This may be regarded as a countervailing influence in determining the way in which labour is viewed.

The Chapter is divided into two sections to reflect these broad principles. The objectives of the first section are to identify and assess the importance of the characteristics of local authority employment which have influenced the development of collective bargaining in local government. Secondly, the section provides an overview of the historical development of collective bargaining in local government to form the fundamental basis for consideration of the relative position of airport workers within the extended local authority context. Finally, an assessment is made of the extent to which "stable" industrial relations have been promoted in the local government sector.

Section Two extends beyond the bounds of local government to

consider the nature of collective bargaining in the civil air transport sector. Here the emphasis is on the interaction of different bargaining arrangements within airlines and airports which are subject to different ownership structures. It is argued that taking the airport authority as representing the firm in the industry, the determination of pay and conditions of employment, whilst based on supply and demand factors, has been influenced by the employers and workers identifying with conditions pertaining in their perceived sector of employment as well as within civil air transport as a whole. Secondly, the course of industrial relations in the civil air transport industry today has been influenced by a set of traditions and perceptions within different sectors which have determined pay and conditions of service and have generally been slow to respond to the needs of changed circumstances.

Secondary literature dealing with industrial relations concentrates on the nature of domestic/national collective bargaining arrangements in general, pointing out the shortcomings and advantages of each to the firm. Little investigation of the application of such arrangements in particular industries has been undertaken and in respect of civil air transport the literature available tends to be very limited. Similarly, much emphasis is placed on the nature of "public sector" bargaining, a generic term which it is felt is inapplicable to civil air transport as the role of public corporations, local authorities and central government in the industry is unique and the distinctive characteristics of each detracts from any unified concept of the "public sector".

In the civil aviation literature a preoccupation with the airlines as opposed to airports is apparent and even in this context, the overriding emphasis is on the role of technological change. Very little specific consideration is given to the framework of industrial relations.

7.2 LOCAL GOVERNMENT ARRANGEMENTS

Local authorities must of first necessity recruit and retain enough staff to enable them to discharge their statutory obligations. In common with any other organisation, in recruitment the availability of labour is a determining factor. However, the characteristics of the employment environment within which local authorities operate, dictate

that the prevailing level of remuneration in comparable work will be of significance. (1)

Local authority employment can be distinguished from other types of employment by the character of its employers and the nature of the goods and services provided. However, it is not a discrete field of employment. (2) Some employees may possess qualifications and skills required in industry and other public services and local authorities may employ only a small proportion of a particular kind of labour. For example, electricians and engineering craftsmen constitute only a small proportion of the local authority labour force and their work is indistinguishable from that performed in other sectors of the economy, therefore, if adequate numbers are to be recruited, levels of remuneration must reflect nationally negotiated rates of pay in the private sector. (3)

Few industries let alone individual companies have to provide as wide a range of jobs as local government as a whole or as individual authorities. Within an individual authority, a work force of say 5,000 may well include between 300 to 500 types of job. (4) The several hundred types of employment in a local authority include a wide range of white collar professions such as architects, accountants, engineers of most disciplines, quantity and land surveyors, valuers, planners, solicitors and administrators. These Local Government Officers may in fact regard themselves as primarily professionals working to standards of expertise and conduct defined by their professional institutions and only incidentally as public employees. The pre-eminence of established professions in local government reflects its history and *raison d'être* as a provider of services. Most senior officers have typically been professionals competent to supervise the provision of services which call for their particular professional skills. (5)

The emphasis on professionalism may detract from any concept of the Local Government Service as a single entity. As early as 1934, the Hadow Committee which was concerned with the quality of manpower resources in local government, highlighted the all-pervading role of the professional associations of officers as the main instruments for raising staff standards whilst individual authorities with their uneven recruitment standards, haphazard recruitment methods, recruitment systems which were not matched to the education system and unsystematic training methods had done little. (6)

Although individual authorities may have been justifiably criticised for failing to raise staff standards, the nature of the professional base of the service detracted from any singular identity in more direct ways. Inevitably, the field of employment for many senior officers is potentially wide and not tied specifically to local government administration. The Mallaby Committee of 1967 which investigated the nature of staff shortages in Local Government, noted that the most marked shortages occurred in areas where members enjoyed employment opportunities beyond the service whereas the lowest wastage rates occurred where employment opportunities were mainly in local government. Clearly the employment opportunities for say education or social services officers are more restricted than for architects or surveyors. The Mallaby Report advocated the more economical use of professionally qualified staff (with greater support being provided by technicians and lay administrators) and the use of private practitioners, for example, architects, for specialist services where fluctuations in the demand for labour occurred. (7) Clearly such expedients may suffice in the short term, however, if demand for a particular professional skill extends over the longer term, it is likely that terms of employment will be more nearly equated with those prevailing in the profession generally if sufficient staff are to be recruited and retained.

Local government employment is also characterised by a wide geographical scatter of employing establishments. Manual workers in particular, though a significant proportion of the labour force in terms of absolute numbers (around 50% of a total work force of 2.2 million in 1972) tend to be employed in small groups in a large number of different locations. Thus the tensions and solidarities of large scale factory employment where 10,000 workers may be employed on one site do not necessarily occur in local government despite the labour-intensive nature of many activities. In most authorities, the largest single identifiable concentration of workers tends to be the white-collar group, forming the central establishment of the Town, City or County Hall. However, it should be noted that at Manchester Airport manual workers have tended to constitute a large proportion of the local authority workforce as a result of the airport owner assuming responsibility for baggage and freight handling.

The wide variety and disparate nature of jobs in local government

and the tradition of professionalism which are essential characteristics of the service may impinge upon bargaining arrangements in two fundamental ways. The absence of the cohesive and co-operative attitudes between different work groups often found in industry may alter the balance of power between employers and employed in local government. Additionally, other factors dictate that matters of remuneration and terms of service cannot be dealt with as an independent operation. (8)

Other ambiguities exist about the constitution of the local government service. A penumbra of posts exists which are closely associated with local government but arguably operate on its periphery as appointments are not made under the auspices of the Local Government Acts. (9) The two uniformed services of the Fire Brigades and Police Forces for example, have their own idiosyncratic styles and traditions and organisation structures are largely determined by Home Office regulation. (10) Indeed the uniformed services based at municipal airports may be regarded as a separate discrete grouping.

Clearly the nature of the employment environment within which local government operates dictates that a number of external influences will determine the way in which labour is recruited, organised and managed. However, other characteristics internal to the organisation and operating conditions of the Local Government Service equally differentiate it from industry in terms of the nature of employment and the relationship between employer and employed. The election of employers is an important issue and member involvement in employment matters is unparalleled elsewhere, in no other large scale employment sector do elected representatives of the public at large, working voluntarily, part-time, unpaid and with no formal training or expertise in the specific role of "managing employer" have substantial influence in staff selection. The influence of the Airport Committee in Manchester is apparent in the next chapter which considers in part the grading of staff posts. With common community interests and a strong sense of local identity and pride, elected members may develop a paternalistic attitude towards their employees which has strong parallels in the attitudes of owner managers of small businesses. In fact owners and managers of small firms, farmers and professional men have traditionally held a disproportionate number of councillor positions. Councillors with Trade Union backgrounds have also been

influential along with other members who perceive their major purpose as promoting social welfare and social justice. The personal commitment to and strong sense of responsibility for fellow citizens may permeate attitudes towards the work force engendering an assessment of the effectiveness of employment policies in terms of the extent to which individual employees express a sense of dissatisfaction or grievance with their work. (11)

Counterbalancing the tendency towards paternalism in employment policy, strong influences emanate from the nature and effect of financial pressures given the "service" ethic, which differ fundamentally from private concerns. A private company exists to make profit and the typical firm will tend to be competitive, expansionary and aggressive in the market sense in order to be successful in financial terms. The availability and quality of labour directly affects financial results; if labour is scarce the private firm is likely to attempt to improve the quality of labour by increasing the attractiveness of employment conditions. The volume of expenditure involved is almost irrelevant so long as it is topped by income from marketing. The financial pressures under which local government operates may, on the other hand, have a negative effect on employment conditions. Ultimately, survival is still the prime motivator but for the elected member success is measured in political terms and the danger of over-expenditure may be of paramount significance given that almost any increase in expenditure may be electorally unpopular. Some elected members may see their primary role as reducing the rate burden and limiting expenditure. In this sense a shortage of labour may be regarded as a saving in the short term outweighing any long term deterioration of service. Thus the incentive for an authority to embark upon a recruitment drive or to increase the general level of earnings may be limited. (12)

The effects of the financial pressures may be observed in the development of the personnel function in local government. Again referring to the Hadow Committee of 1934, whilst highlighting the inadequacies of recruitment and training in the service, it was recommended that member control of all staff appointments should be exercised through a single committee. (13) Establishment committees were to concern themselves primarily with the control function vetting departments' bids for extra staff. Similarly, the Mallaby Report of

1967, the terms of reference of which were directly related to the qualitative aspects of the local government manpower, advocated keeping a check on staff numbers and gradings, adopting a broad view of an authority's staffing needs and planning for future requirements. Although some authorities faced with labour shortages raised their standard of staff advertising and recruitment, the general trend at local authority level between 1930 and 1970 in staffing policies, continued along the lines of establishment control. (14) The Bains Report in 1971, described "Establishment man" as discharging two main functions, that is the day-to-day administration of rules about the conditions of service and acting as a Council's watchdog in respect of committees' and departments' demands for staff. The Bains Committee recommended dropping the establishment label, relegating the control function to individual departments. However, the local government service retained a special need for the establishment control function in the absence of the profit motive which in the private sector provides a measure against which staffing numbers can be assessed. (15) In the following chapter the involvement of the Establishment Committee in assessing the Airport Committee's demands for staffing is highlighted.

The way in which financial pressures may be perceived in local political terms and the consequent emphasis on control in staffing has been reinforced by most of the studies of employment in the Local Government Service since the 1930s. However, in more recent years attitudes at the local level have been reinforced by the nature of the relationship between local and central government. Between 1945 and the early 60s, the degree of state intervention in employment matters generally was declining and the 1950s witnessed the "full flower of free collective bargaining". Direct state intervention in the form of new legislation requiring employers to provide better safety and working conditions, more job security, better training and equal opportunities had little impact on local government employment policies which had tended to provide at least a minimum provision in such respects. Of greater significance to employment policy in local government was the impact of central government pay policy and the way in which it was implemented via the complex relationship which existed between Government Ministers and individual local authorities and their political associations. (16) Since the 1960s Government requests to

curb public expenditure have influenced decisions as to whether appointments should be made by individual authorities. (17) Selwyn Lloyd's policy of 1961 signalled the start of a government pay policy which, coupled with calls for public expenditure cuts, was to reinforce the establishment function by determining the criteria for the grading of existing posts and emphasising the need to justify each individual submission to Establishment Committees. (18) It has been suggested that the reaction of local authority employers to governments' attempts to use public sector pay restraint to dampen inflation and influence the general climate of wage negotiations has been one of compliance out of choice, the benefits of which would be likely to assist in achieving the ultimate goal of political success at the cost of disadvantaging local authority workers in comparison with other public and private sector employees. Some analysts go so far as to suggest that the rigidity with which local government interprets pay policy exceeds that of central government itself and that councils "hide behind pay policy". (19)

Industrial relations in local government has been characterised by the fundamental distinction between "officer" and "servant" which was first coined by the Hadow Committee in 1934 and was subsequently adopted in the Local Government Superannuation Act, 1937 which applied to the former, that is administrative, professional and clerical workers but not the latter, manual workers. This early distinction has been reinforced by the comments of the various committees which have examined the organisational health of local authorities. Even the Bains Report of 1971 which was one of the most comprehensive studies of local authority organisation is notable for the almost total absence of any comment about the employment position of manual workers in local government. (20)

The contrast between the position in local government where concern for the white-collar worker and not problems in the manual field has been the primary motivation, and industry where manual workers have tended to set the pace of industrial relations - may reflect, in part, the fact that the manual field in local government has been dominated by a large body of part-time female labour. (See Figures 7.1 and 7.2) However, it is argued that the emphasis of the white-collar worker reflects the impact of a number of influences which have set the pattern in industry but have been absent in local government. In

industry, the concern for the manual workers has arisen out of considerations of factory welfare, the need to improve productivity, safety and much of the early employment legislation which was concerned with the position of manual workers.

During the Second World War especially the welfare function in industry expanded to include the study and promotion of high morale among manual workers as production techniques became increasingly scientific. The influx of new labour to industry resulted in the need for more training whilst the growth of the Labour Party ensured a Trade Union partnership in the war effort. As a result Joint Production Committees began to emerge in factories. Local Government remained untouched by such developments and, if anything, was drained of manpower during the period. In contrast to industry, the war years for Local Government represented a period of survival rather than expansion. After the war, economic growth contributed to the emergence of a new regime in industry, with labour becoming relatively scarce and expensive. The solution to the scarcity of labour was seen to be the development of productivity bargaining and payment systems which it was thought had little application in local government which was not subjected to "production pressures". (21)

Industrial relations in local government differs fundamentally from industry because of the absence of the concentration of powerful manual worker Trade Unions which have stimulated change elsewhere. The earliest stable Trade Unions in Britain were along craft lines protecting the interests of skilled workers. They were followed by the growth of industrial unions covering skilled and unskilled workers alike in separate industries. However, from the 1890s, general labour unions set out to organise work people in any industry who were not members of a union and represented the lowest paid people in the country. By the early 1950s, the Transport and General Workers' Union had almost 1,200,000 members consisting of labourers and semi-skilled machine tenders in many industries. This represented a fourfold increase in less than 30 years and the Union had become increasingly regarded as an "octopus" by leaders of small unions which had experienced its encroachments and its attempts to destroy them or to persuade or coerce them into amalgamation. (22) By 1968, membership had increased to 1,476,000 representing 16.4% of a total TUC membership of nine million. By this time, the TGWU had come to approximate

closely to an industrial union in some industries such as oil where all drivers, process workers and vehicle maintenance workers were organised. A similar grip had been attained in the 'bus industry and in the gas industry where a sizeable membership had been achieved among production workers. In other industries for example, food manufacture, chemicals and rubber manufacture, the Union organised all the production workers and in the engineering industry in particular, the transformation from a labourers' union to a production workers' industry had a long history. (23)

Whereas the growth of white-collar trade unionism is a relatively new phenomenon in the private sector, local government is characterised by a long history of strong white-collar unionism. Associations of Officers engaged in local government emerged in the late nineteenth century, including the Institution of Municipal Engineers 1873, the Sanitary Inspectors' Association 1883 and the Institute of Municipal Treasurers and Accountants 1885. The National Association of Local Government Officers emerged in 1905 and until about the end of the First World War spoke for senior officers of the service. Since the adoption of Trade Union status in 1920 membership of the Association has been swelled from the lower ranks of staff in the service. In 1923, membership was 33,000, by 1933 membership had more than doubled to 68,000, ten years later membership had increased to 121,000 and between 1953 and 1973 the Association increased its representation from 222,000 to 518,000. (24) Bain has suggested that the process has not been entirely the result of the growth of public service and maintains that the high concentration of white-collar employment has been a determining factor. (25) As suggested earlier, the white-collar group in local government probably represents the largest concentrated group of workers in most authorities whilst for manual workers the nature and organisation of their work tends towards fragmentation. Manual workers in local authority non-trading services have traditionally been represented by the National Union of Public Employees whose membership grew from 10,000 in 1933 to about a quarter of a million in the early 1970s. However, whereas NALGO has achieved something of a monopoly of representation of staff employees, Trade Unions like the TGWU and the General and Municipal Workers' Union have competed with NUPE in the organisation of manual staffs. (26) In effect, the tendency towards fragmentation of representation of work in the manual field of local

government has been accompanied by a tendency towards fragmentation of representation, a factor which has reinforced the traditional distinction between manual and staff worker in local government and increasingly relegated the status of the manual worker to that of "servant". However, it should be noted that generally such fragmentation has not existed at Manchester Airport where the TGWU has historically maintained a firm foothold in organising manual workers.

In essence, all of the characteristics of local government employment highlighted above, that is, the wide field of employment; the wide range of jobs including a relatively large body of professions; the wide geographical scatter of manual occupations; the involvement of elected members in employment matters coupled with the effect of financial pressures from within and from central government which have contributed towards the evolution of the control function, and the distinction between "officer" and "servant" which has been reinforced by the nature of local government and employee representation have significantly influenced the historical development of collective bargaining in local government. In charting this development, it will be useful to analyse the process initially in terms of local government staffs proceeding to the consideration of manual workers at a later stage.

(a) Staff

Prior to the First World War collective bargaining in local government was limited, local authorities tended to make their own contracts with employees, though in some cases negotiations took place with Trade Unions where membership was substantial. (27) Whilst independence of action rather than collective agreement tended to be the norm in determining terms and conditions of service, the establishment function at local level controlling staff grades and conditions of service was reinforced. In many of the larger local authorities, the establishment function pre-dated the Hadow recommendation of 1934. In Manchester, for example, as early as 1905 a special committee was appointed by the Corporation to "consider and report upon the terms and conditions on which it is desirable that officials in the Corporation should hold offices". (28) Two years later the committee presented a package of recommendations to the effect that to qualify for entry to the service candidates should be subjected to preliminary open competitive examination; minimum and

maximum salaries should be fixed in relation to different positions in the service; a scheme should provide for increases of salary which would be given by scale and after certain periods of satisfactory service; finally a retirement age should be fixed and allowances established. In order that a complete scheme could be framed, the employing committees were asked to furnish details of the number of officers under their control with a description of offices held and salaries paid to assess the minimum and maximum values to the offices held and to consider the scale and periods of revision appropriate for progression from minimum to maximum salaries. (29) Clearly it was recognised at an early stage that in recruiting and retaining staff local authorities were in competition with other sectors of the economy, and as a result, efforts were made to provide a career structure for Local Government Officers. In effect, although formal collective bargaining machineries were not being developed, the consideration of career structures was a common factor among the larger local authorities, tending towards a degree of conformity. At the time, the municipalities which had applied all or a proportion of the recommendations noted above included the London County Council, Birmingham, Glasgow, Liverpool, Oldham, St Helens and Salford. (30)

Moves towards joint action were strengthened by the Government's acceptance in 1918 of the recommendations of the Committee on the Relations between Employers and Employed (the Whitley Committee) for the formation of Joint Industrial Councils. (31) It was the Committee's considered opinion that

"an essential condition of securing a permanent improvement in the relations of employers and employed is that there should be adequate organisation on the part of both employers and work people." (32)

Joint Industrial Councils were to consist of representatives of employers and employees. They were to consider terms and conditions of employment and other matters of mutual interest and to settle disputes. The normal pattern became that of a National Council for an industry or trade together with subsidiary Provincial or Regional Councils for appropriate local areas with the membership drawn from employers' associations and trade unions. (33) However, the Whitley Committee equally recognised that

"there are many questions closely affecting the daily life and comfort in and the success of the business and affecting in no small degree efficiency of working, which are peculiar to the individual

workshop and factory." (34)

The committee, therefore, concluded that works committees should be formed "to establish and maintain a system of co-operation in all these workshop matters", but not to interfere with "questions such as rates of wages and hours of work, which should be settled by District or National agreement." (35)

The "Whitley system" of industrial relations represents what the Donovan Commission later identified as the "formal" system of industrial relations in Britain which by the 1960s was being undermined by the "informal" characterised by autonomous management in companies and powerful industrial work groups where the difference between joint consultation and collective bargaining was becoming blurred. (36)

The Whitley Committee considered that the proposals were likely to be beneficial in the field of public employment as in industry and in 1920 an attempt was made to establish Whitley machinery for local authority staffs. (37) A National Council for Local Authorities' Administrative, Technical and Clerical Services was set up in that year. The Employers' side consisted of the Association of Municipal Corporations, the County Councils Association, the London County Council, the Urban District Councils Association and the Rural District Councils Association. The staff side included NALGO; the National Amalgamated Workers Union and the National Union of Clerks. In considering the framing of salary scales, this Whitley Council had two major objectives. Firstly, the largest measure of joint action between employers and employed was to be secured for the development of Local Government administration and the improvement of conditions of service for all engaged in such administration. Secondly, machinery for the regular consideration of remuneration, hours and conditions of service, including superannuation, tenure of office and other matters affecting the service was to be provided. (Details of Scales recommended are given in Appendix 7.1) The scales initially recommended did not necessarily include Chief Officers and professional, technical and sectional officers which were to be provided for later. However, arrangements were to be made throughout for equality of opportunity for promotion to higher posts which were to be, where practicable, filled from within. (38)

This represented the first attempt to provide national salary scales

for Local Government Officers but its success was short-lived, the National Council broke down within the year because the Local Authority Associations would not join bodies whose policy was the formulation of national scales. Many local authorities refused to join their associations or to be represented on the Provincial Councils and so did not consider themselves bound, even by consent, to accept the decisions of the negotiating body. Even where agreements were made, some local authorities refused to pay the negotiated rates whilst others considered themselves free to pay above them. (39) The Whitley Report did not lead to any extensive system of centralised bargaining for Local Government as it did for Central Government. Some progress was made between the wars, although national groupings failed, regionally based Provincial Councils continued in some authorities in Lancashire, Cheshire, Northumberland, Durham, the West Midlands and London. (40) However, many authorities similarly retained their independence of action. The Manchester Corporation devised its own scheme of conditions of service for its officers in consultation with a Local Joint Committee consisting of 11 members of the Council and 11 representatives of staff effective from 1 January 1923. (Definitions of Staff Covered and Grading System are given in Appendix 7.2) The scheme was designed for the mutual benefit of the Corporation and its Officials and aimed to raise the standard of official and secure for the Corporation a "thoroughly efficient service". To secure these aims, it was intended that anomalies should be removed, stability secured and progressive advancement provided for by the grading and classification of professional, technical, administrative and clerical staffs. The main principles included many which had been identified earlier, such as competitive examination for entry into the service, a probationary period with promotion by merit with satisfactory service and minimum and maximum salaries for various positions. Provision was also made for dealing with cases of exceptional merit and for considering grievances. (41)

The adoption of a comprehensive scheme of conditions of service at the local level inevitably strengthened the establishment function and reinforced the already defined roles of employing and establishment committees. A fixed number of officials was to be assigned to each employing committee of the Corporation involving each committee in analysing the duties of staff required for the performance of work

assigned by the Council and making a valuation of the duties of each office and occupant, the responsibilities incurred and qualifications necessary. The results of the analysis of the employing committee were to be forwarded to the Establishment Committee which would make recommendations to the Council for the assignment to the employing committee of a number of officials in various grades, classifications and sections. In principle, following upon a recommendation made by the Finance Committee, the fixed establishment was not to be varied "except for urgent and necessary reasons". Advancement through a particular grade was to be automatic unless an official had been adversely reported upon. The scheme also specified conditions for promotion to higher grades. At the age of 22, "juniors" were to be admitted to the General and Clerical Grade. Other officials arriving at the maximum of their class were to remain at this level until a vacancy occurred in the next higher class. When such a vacancy arose, the Head of Department was to make recommendations to the employing committee to the effect that the duties of an official and the manner in which they had been performed justified promotion to the higher class. In general, vacancies for higher positions were to be filled by promotion from the immediate lower grade on recommendation of the Head of Department, but promotion was to be by merit and not seniority alone. The specification for admission to the Professional, Technical and Administrative Division was more exhaustive. In this case, the report submitted by the Head of Department had to encompass consideration of

"knowledge of the department or branch, educational qualifications, personality and force of character, judgement, power of taking responsibility, initiative, accuracy, address and tact, zeal and official record." (42)

If the candidate was found to be satisfactory on all counts, admission to the Division could take place when a vacancy occurred. Although on the face of it this system of promotion seems laborious, involving what might be called "waiting for dead men's shoes", provision was made to accelerate the rate of promotion in cases of exceptional merit or on passing of the Intermediate or Final Examination of the appropriate Professional or otherwise Institute. Two other important principles were embodied in the scheme which could again provide for advancement. Firstly, if new duties were devolved upon the Corporation or the existing duties of a post were expanded or readjusted, the employing committee affected could make recommendations to the Establishment

Committee for an alteration in assignment. Secondly, the overall requirements of staff were to be reviewed from time to time by each Employing Committee and the Establishment Committee. (43)

Given that the grade and salary of the occupant of a post was determined by the Head of Department, the employing committee and the Establishment Committee often acting in concert, but sometimes acting in conflict, some provision had to be built into the scheme to allow the employee a facility to appeal against decisions and this was provided in 1924. Appeals could be made against the commencing salary, but not necessarily the grade in which the official had been placed or against the grading of a post where the appellant claimed to be performing duties commensurate with a higher grade. A special sub-committee was constituted to investigate and report on appeals. Before hearing appeals, the Chair of each employing committee with the Head of Department was to consider claims made and with the concurrence of the employing committee report to the sub-committee hearing appeals. In principle, where the reports of the employing committee were found to be favourable, claims were to be met. (44)

Clearly, this kind of scheme of conditions of service went some way towards securing one of the original aims of the National Council, that is the improvement of conditions of service for Local Government Officers. However, having been devised by the Corporation, it was not representative of a move towards greater joint action on the part of the Local Government Service as a whole. NALGO, the primary staff trade union, had made the achievement of a consistent national standard of employment, rewards and security, a major plank in its campaign to establish itself as a national union and commented adversely on the almost complete lack of uniformity and consistency of entry standards, methods of selection and conditions of service alleging that the "ad-hoc, unplanned, unco-ordinated methods of staff management both locally and nationally were wholly inadequate" to meet the needs of the service in the latter part of the decade. (45) A national system of terms of service was seen by NALGO as the only way of removing the injustices and inequalities of piecemeal bargaining and securing adequate remuneration for its members. Standard conditions were also needed to reflect many officers' views of being part of one service carrying out duties that might vary little from one part of the country to another. (46)

As many local authorities continued to regard any moves towards collective bargaining as curtailing their freedom of action in staffing throughout the inter war period bargaining remained piecemeal and wide discrepancies in the remuneration of Local Government Officers across the country persisted. (47) Trade Unions played one authority off against another and the level of salaries and wages varied with the political colour of the employer. In effect, it was the Second World War which led to change as local authorities were faced with the increasing problem of the scarcity of labour. A growing trend emerged among some of the larger authorities to organise in Provincial Councils on the Whitley basis because of the difficulty of deciding reasonable rates except in consultation with other employers and because of a growing preference for regular consultation rather than the confidential approach of one authority to another. (48) As employers came to realise the need for a regular system of consultation to render unnecessary the individual handling of common problems regarding conditions of service, so too it was realised that it was not in their mutual interest to compete for scarce labour, local authority employers increasingly felt the need to defend themselves collectively against the claims of the Unions. (49)

Coincidental with such trends in the Local Government Service, Central Government perceived the need to be able to co-ordinate the country's work force as a whole and indirectly this influenced the development of the present system of local authority bargaining. The National Arbitration Order 1305 of 1940 which introduced compulsory arbitration and allowed the National Arbitration Tribunal to require all employers to honour any agreement covering a substantial proportion of an industry became an instrument for furthering collective bargaining in Local Government. The applicability of this legislation was tested by Bolton Corporation who claimed that it did not apply to local government. Bolton won its case in the Court but the judgement was overturned after NALGO appealed to the House of Lords in June 1942. (50) The decision by the court that the Conditions of Employment and National Arbitration Order, 1940 (SR and O No 1305) did apply to local authority employees and as a corollary terms and conditions provided for them had to be equal to those agreed in the district, was the fundamental force for change although the fact that terms and conditions could be enforced by compulsory arbitration, equally made

local authorities much more willing to negotiate. If a local authority could be made to pay the same rate as other authorities were paying, then it became increasingly important that it should play a part in determining the prevailing level of pay. (51) With the active encouragement of the Ministry of Labour and the Ministry of Health, the NJC for Local Authorities Administrative, Professional, Technical and Clerical Services (APTC) was reconstituted in 1944. In subsequent years, a Joint Negotiating Committee for Chief Officers was also formed publishing recommended conditions of service for Clerks and other Chief Officers along with job descriptions. The fact that the Chief Officers' salaries tended to be linked to levels of population influenced the negotiation of salary levels further down local authority structures and so in collective negotiations a balance inevitably had to be struck between different sized authorities. (52)

In 1946, the NJC for APT and C Staffs devised a scheme of classification for staff falling within its purview which provided five divisions (general; clerical; higher clerical; miscellaneous and administrative; and professional and technical) each with its own salary scale and general specification of duties. The work of the NJC, however, extended beyond the formulation of grading structures for staff from the outset agreeing such terms as normal hours of work and making specific provision for officers whose duties involved regular evening attendance in connection with council meetings and committees. (53) The scope of the scheme of conditions of service which has devolved is comprehensive but clearly defined in terms of its purpose and its relationship with individual local authorities. Many of the principles embodied in the Scheme reflect the long standing priorities which were embraced by larger authorities in earlier years. The preamble to the Scheme states a clear objective:

"The Scheme of Conditions of Service is to enable employing authorities to deal with their staff on a basis intended to mark the Local Government Service as offering a career likely to attract entrants of the type required to meet the future needs of Local Government."

at the same time the scheme enshrines basic traditions

"It is desirable that questions affecting the recruitment, qualifications, training and promotion of officers should be assigned by each employing authority to an Establishment Committee." (54)

The Scheme has been developed to encompass all aspects of terms and

conditions of employment including appointment and promotion, post-entry training, salary and grading provisions, annual leave, sickness payments and maternity leave, travelling and subsistence allowances, official conduct, appeals against salary grading and grievance procedures. (55)

In relation to grading structures, it is clear that much of the earlier work carried out by individual local authorities had provided a firm foundation which could be readily adopted by the national structure. The only fundamental change occurred in 1967 when the practice of remunerating administrative, professional and technical officers on the same scales was modified (following on from the implications of the Mallaby Report) to provide a separate salary structure for technicians, thereby encouraging local authorities to restrict professional staff to their proper level of work. The new technical division covered officers doing work which required special training or expertise below the full professional level such as draughtsmen, clerks of works, etc. No qualification requirements were attached to these technical grades but higher grades were intended to include those posts for which recognised training schemes and/or qualifications existed, for example architectural and engineering technicians. (56)

The general philosophy of the grading scheme remained one of collective equity and it was hoped that consistency and uniformity would improve the image of Local Government as a recognised career, thereby improving recruitment, (especially of qualified professionals) and facilitating the transfer of staff between authorities. (57) The nationally negotiated terms of service basically constituted an ascent up a progression of delicately constructed and complex salary scales and laid down in minute detail the starting points and conditions of progression through the service allowing staff to predict career prospects. (58) White collar staff in Local Government came to consider as normal the incremental salary progression with a job and steady rise in salary and status although all might not have viewed it in a positive light. Dr Hilda Kahn has suggested that the long pay scales, characteristic of Local Government, tends to be looked upon as deferring payment of the full rate rather than as an addition compensating for mounting outlay; instead of welcoming the extra increments, staff maintain that not reaching the maximum until their

thirties is "anti-social" and prevents the undertaking of family responsibility. (59)

In considering the extent to which the national scheme of conditions and national pay settlements constrained independence of action of individual authorities it should be stressed that, in practice, considerable flexibility was built into the scheme relieving tensions for both employee and employer. The legal position remained that each local authority as a corporate entity was free to pay reasonable remuneration and establish conditions as they pleased. The scheme recognised this position in allowing authorities to exercise discretion in deciding on which scale an employee should be placed. (60) To quote again the Scheme itself,

"The establishment of each department of an employing authority shall be determined by allocating a definite number of posts to the suitable grades included in the scale of salaries, the allocation being determined by reference to the duties and responsibilities attaching to each post. The establishment shall be reviewed at regular intervals." (61)

Flexibility within the grading structure allowed local authorities to apply grades in relation to local circumstances enabling similar authorities to evaluate the services of comparable staff in different ways. The corollary however, is that an authority in a high cost area needing quickly to recruit a particular professional group to staff a new service, could find itself under strong pressure to grade new posts at a higher level than elsewhere to attract applicants; neighbouring authorities could in turn come under pressure to increase levels of pay, thus the need to conform alone could bid up salary levels. (62)

For the employee, while national salary awards became the major method by which the pay of Local Government Officers was increased, many could embrace hopes or expectations of promotion or regrading based upon the principles of "Paragraph 80" of the Scheme:

"The particular duties and responsibilities attached to posts are of necessity in many cases somewhat difficult of detailed definition, and may vary from time to time without changing the general character of the duties or the level of responsibility entailed. Such variations are a common occurrence and cannot of themselves justify reconsideration of the grading. In cases, however, where there has been a substantial change in the duties and responsibilities of the post going beyond variations of the kind referred to, then if the grading is not altered or the officer concerned is dissatisfied with the decision as to the grading taken by the authority he has a right of appeal to the Provincial Council under this paragraph." (63)

Given relatively modest yearly increases in Local Government pay the applicant for re-grading could usually achieve an increase in pay from 10% upwards and could also succeed in moving onto a new pay ladder. Although no figures are available for numbers re-graded yearly and, therefore, it is difficult to separate pay due to re-grading from pay increases which are given after negotiation, it is clear that NALGO regards re-grading as an important means of increasing pay and emphasises it in its Union literature,

"the individual officer who thinks he is not getting a square deal in pay and conditions of service has certain rights of appeal under the Whitley machinery and NALGO will help him, if he is a member, to prepare and present his appeal. Half of the appeals committee which will hear his case will be of staff representatives." (64)

For many years, the complex structure of nationally negotiated terms and conditions of service for Local Government Officers coupled with local variation, gave stability to industrial relations in local government. However, central government's attempts to control incomes from the mid 1960s represented a major threat to this stability straining employers' payment systems and employee relations. NALGO had initially welcomed the National Incomes Commission whose aim they saw as being "to protect people with less effective bargaining power, swamped by the crude application of a general average."

The Union had not wanted a yearly scramble for higher pay in which they had less effective bargaining power than their mutual counterparts in industry, thus a three year agreement signed in 1963 which meant a 3% pay increase annually, as giving them time for a thorough salary review had been accepted. (65)

However, local government salaries declined in 1964-5 in real terms. Gross salary increases between August 1964 and August 1965 ranged from 2.8% to 3.2% for APT and C grades and 2.6% to 2.7% for clerical grades. NALGO, therefore, became suspicious of incomes policy and increasingly came to regard it as an instrument of discrimination against the public sector. (66) It has been argued by Thomson and Beaumont that "findings cannot be conclusive on the point, but they are strongly indicative that serious discrimination against the public sector on an overall basis has not happened." (67) Nevertheless, public workers have felt that they had a genuine grievance, and that perception has shaped their attitudes and actions.

The General Secretary of NALGO summed up the position of the Union's members over a 20 year period, 1948-67,

"Between 1948 and 1952 the purchasing power of most local government officers fell by 10% or more. It remained at that low pitch until around 1960, when a little of the lost ground was recovered. Today, in terms of what this money will buy, the incomes of the lower ranks are broadly the same as they were 20 years ago, whilst that of their seniors are - excluding promotion - still some way below the 1947 levels. In the same period, the purchasing power of industrial workers has increased by around 50%." (68)

The position had been exacerbated by the freezing of a salary increase in July 1966 which had been strongly resented by NALGO and a report of the Union's Executive to the 1967 Conference summed up the Union's attitude to the prices and income standstill. It was argued that comparability and cost of living movements had to be recognised for salary increases and that, at the same time, it was important to maintain the differentials for skills and responsibilities. (69)

Traditionally, in presenting cases for re-grading, the main argument used by NALGO had been the rate in comparable jobs in other local authorities. In the face of pay policy, it was also argued that the provisions of "Paragraph 80" were in line with the relevant paragraph in the White Paper, "Incomes and Prices Standstill", Cmd 3073, which allowed "increases in pay genuinely resulting from promotion to work at a higher level, whether with the same or a different employer." (70)

In effect widespread re-grading could have been used as a method by which local authorities could observe restraints on national rates whilst increasing the pay of some staff by moving them up or above their existing grade. The Government was wholly aware of this possibility and mentioned it in a post-July 1966 circular to local authorities. The NJC warned local authorities that re-grading must not be used as a weapon to defeat the standstill on incomes. Thus the majority of Councils between 1966 and 1969 indulged their aversion to raising local rates. Local authorities pleading that they were under government orders to limit the numbers re-graded, were buttressed by cuts in public expenditure in 1968/9. (71)

Faced with the interpretation of pay policy in its strictest terms NALGO's pay claim for April 1969 pressed inter-alia the issue of comparability. Whilst central government had allowed the principle of comparability to apply in the Civil Service it had been rejected as an

argument in local government and it was maintained that the salary gap between the two services had widened in favour of the Civil Service officers (see Figure 7.3). NALGO also maintained that whilst wage rates had increased by over 5% from February 1968 to February 1969 and employee earnings had increased by 8.3% over the year ending January 1969, local government staff had received only a 3½% increase over the year. (72)

Apart from reducing salary levels in local government relative to other sectors, the sequence of freeze, norm, freeze, Stage II, Stage III, etc changed relativities in an arbitrary and unco-ordinated fashion. The principle of equal pay for all with exceptions only in individual cases where significant increases of responsibility could be demonstrated meant that pressure from small groups of local government officers for grading changes, which on the basis of comparisons with other groups might have been justified, were resisted in an effort to meet pay policy criteria. (73)

Whilst local government employers might have adhered strictly to government policy partly out of choice in the 1960s, in the 1970s a greater element of compulsion was introduced by central government. Local Government Statistics for England and Wales published by the Department of the Environment (formerly the Ministry for Housing and Local Government) show the local government salary and wage bill rising from £827.7 million in 1958/9 to more than £4,386 million in 1973/4. Salaries and wages in the same year accounted for 45% of current local authority expenditure. Central government concern regarding the size of the salary and wage bill led the Secretary of State for the Environment, in a report on the Rate Support Grant (No2) Order, 1974, to call upon authorities not to expand their staff numbers except where necessary to meet inescapable commitments. More significantly, a Department of the Environment circular 171/74, announced the intention of government "to institute a system of watching local authority staff numbers." (74) This signalled a trend towards some loss of freedom of individual authorities on establishment matters. The institution of cash limits on local government expenditure in 1976 meant that the question of local authority pay led directly into that of local authority expenditure as a whole and the negotiation of the Rate Support Grant. Effectively, the cash limit served as a substitute for an incomes policy which was more effective in committing authorities to

public sector pay restraint as pay deals had to be backed by cash limits and the Rate Support Grant. (75)

The intervention of central government in local authority pay bargaining and the consequent restriction upon local freedom within the bargaining structure has inevitably led to the centralisation of bargaining, increasing the power of central institutions. Thus the balance which previously existed between national and local structures has been undermined. Increasing conflict between centre and periphery has emerged amongst employers and Trade Unions alike. However, this conflict was more marked on the Trade Union side where the rank and file of NALGO became increasingly dissatisfied with centralised bargaining and the Trade Union nationally. Faced with increasing pressure for grass roots control and negotiation, NALGO equivocally moved towards the devolution of power within the Union. (76)

Having considered the historical development of collective bargaining arrangements for local authority staffs, it is clear that particularly the larger local authorities demonstrated an early awareness of the need to compete with other sectors of the economy in order to acquire and retain a professional workforce. This is manifested by the independent action on the part of certain authorities, such as the Manchester Corporation, to provide clearly defined career structures in the inter-war years. However, it is argued that the most significant determining factor in the development of collective bargaining arrangements has been financial pressure at the local level reinforced by the relationship between local and central government. This is reflected in the early reluctance to form national negotiating bodies, coupled with primary emphasis at the local level, on the establishment function.

Although in the post-war period national collective bargaining arrangements were instituted encouraging the collective equity, uniformity and consistency across the Service which had been demanded by employee representatives, flexibility at the local level remained the key note. Employers exercised local autonomy in assigning grades to take account of local circumstances and for the employee the system of re-grading and appeals offered the real prospect of advancement. For many years this arrangement underpinned the stability of industrial relations between employers and staff of the Local Government Service.

However, the institution of pay policy in the 1960s threatened this

stability by providing employers with ample justification to resist re-grading claims which had provided a source of increased remuneration in previous years. Although strict adherence to government pay policy had initially been by choice, in the 1970s a greater element of compulsion was introduced with the institution of cash limits. Central Government intervention in pay determination not only affected the position of Local Government Officers relative to comparable positions within other sectors of the economy, but also upset the relativities which had been established within the Service. Ultimately, local autonomy diminished as greater emphasis was placed on the role of central institutions in negotiation. This change in the balance between local and central structures was regarded as being detrimental by employers and employees alike ultimately straining industrial relations.

(b) Manual Employees

Having discussed the evolution of collective bargaining for local government officers and the major factors which have shaped the long term development of the system, it is necessary to consider the position of the manual worker within the scheme of things. For the manual worker in local government, the history of collective bargaining dates back to the First World War when the awards of the Committee on Production helped to extend Trade Union recognition and collective bargaining agreements. (77) A number of local authorities in Lancashire and Cheshire (including Manchester and Chester), formed an association to deal with war-time pay increases. After the First World War, the principle of collective bargaining for wage earners was accepted elsewhere. Increasingly, pay was settled by Provincial Councils whose employers sides were directly representative of individual authorities in a region. In 1919, the Minister of Labour called conferences which led to the formation of the National Joint Industrial Council for Local Authorities' Non-trading Services (Manual Workers) to determine the pay and conditions of non-craft manual workers. In contrast to the early attempts to establish a national negotiating structure in the Whitley mould for local government staffs, this NJIC endured to become the forerunner of the NJC for Local Authorities' Manual Workers which exists today. (78)

Although collective bargaining arrangements for manual workers were established, certain groups of employers still demonstrated a reluctance to take part fully in the machinery. For example, the

County Councils' Association repudiated collective bargaining, withdrawing from the manual workers' NJIC together with the Rural District Councils' Association. The reluctance on the part of employers was matched by an inability on the part of the industrial Trade Unions to recruit members in large numbers in the non-industrialised rural areas. (79) However, the political affiliation of elected members also played a part in determining the nature of bargaining arrangements and what terms could be obtained. For many years, the Northern Provincial Council of the Non-trading JIC agreed the highest rates of any district, despite high unemployment in the area "and the only explanation can be the predominance of Labour on the local authorities of Durham and Northumberland." (80)

Basically then even when local authorities bargained collectively, the degree of local autonomy allowed by the machinery meant that there was still much variation in the level of wages paid to workers doing the same kind of work across the country. In 1938, for example, when for pay purposes six different zones were applied, there was 17 shillings a week difference between zones one and six. (81) In the early stages of development, the NJIC primarily concerned itself with rates of pay. In respect of other conditions of service, like the provision for sick pay allowances, no uniformity of treatment existed even within a local authority. It was left to each individual department to determine sick pay allowances, judging each case on its merits. (82)

Within each individual local authority, structures were developed at an early stage to complete the framework for collective bargaining. In Manchester, for example, a Workmens' Special Committee was formed in 1919 and five years later a Labour Officer and Secretary were appointed to deal with

"(i) matters relating to the regulation of wages of all manual workers of the Corporation other than those whose wages and conditions are regulated by the various Industrial Councils, and (ii) co-ordination of all matters dealt with by the Industrial Councils for Public Utility Services." (83)

It is worth noting here that, as suggested by the designated role of the Labour Officer, certain special groups of workers remained on the periphery of the NJIC for manual workers. For example, transport workers employed by the Manchester Corporation performed duties of a specialist nature which allied them more closely with their

counterparts covered by the Lancashire and Cheshire Road Transport Council. In determining the wages of transport workers in the employ of the Corporation, the Labour Officer would enquire with other firms in the area as to the prevailing level of wages paid to their transport workers. (84)

Collective bargaining for manual workers in local government was reinforced in the post war era with the development of Joint Negotiating Committees to deal with skilled workers. The formation of a Joint Negotiating Committee for Building and Civil Engineering Craftsmen in 1951 was followed a year later by the establishment of a Joint Negotiating Committee for Local Authorities' Services (Engineering Craftsmen). Appendix 7.3 lists the wide range of occupations which were covered by the JNC although its scope was limited to exclude certain workers in specialist areas. Those in waterworks and municipal transport undertakings were excluded along with craftsmen in local authority controlled dock undertakings and craftsmen already covered by the NJC for County Council Roadmen. Employees were represented by the Confederation of Shipbuilding and Engineering Unions, whilst the Employers' Side included representatives of the Local Authority Associations, the London County Council and the Employers' Side of the NJIC for Local Authorities' Services (Manual Workers). In line with other manual workers, rates of pay were zoned, with zoning arrangements being those of the appropriate Provincial Councils. In agreeing rates of pay, the Employers' Side was to take account of rates of pay applied to similar craftsmen in the gas, electricity and water industries and wage increases conceded in the engineering industry. Thus whereas the wage rates of engineering craftsmen in local authorities had been previously regulated exclusively by reference to agreements in the appropriate trade or industry, the adoption of an agreement covering local authorities was to provide a common rate of pay for all classes of engineering craftsmen. (85)

As new Joint Negotiating Committees were established in the post-war era, new authorities were affiliated to the structure and this was accompanied by an increasing transfer of real power from provincial to national level in the determination of wage rates and conditions of employment. The manual workers' NJC in company with some 40 or more joint councils or committees in local government by 1960, evolved to

form a comprehensive structure for negotiation and consultation in the "Whitley" mould (see Figure 7.4). By the 1970s, the NJC for Local Authorities' Services (Manual Workers) had grown to encompass by far the largest single group of local government workers, around 900,000 in all, (Figure 7.5 gives a simplified version of the structure which has emerged). Employers form a joint bloc made up of representatives of the provincial councils which are depicted in Figure 7.6 and the Local Authority Associations. Trade Unions with membership in the sector - the General and Municipal Workers' Union, the Transport and General Workers' Union and the National Union of Public Employees - similarly form a joint bloc. Issues are decided by agreement between the two sides, each acting as a corporate body. The NJC agrees and applies standard wage rates for each occupation. As Section I of the national agreement specifies

"The maintenance of a uniform rate of pay for each occupation is inherent in the Joint Council system of wage regulation."

As Whitley envisaged, negotiating and consultative activity is not the exclusive province of the NJC itself. The Provincial Councils in England and Wales have a role to play along with numerous subsidiary committees at national and provincial level. These committees deal either with particular issues, such as disputes on education and training, or at national level, with particular groups of employees such as school caretakers. (86)

Basically the NJC has evolved a wage system for manual workers in local authorities which is broadly based on the classification of jobs into a number of grades covering the least skilled to the highest skilled (with Building, Engineering and Electrical Craftsmen having their own separate agreement). (87) As with any manual worker wage system, a variety of additional forms of payment have been devised which boost total earnings. These include service supplements; plus payments for qualifications or particular features of work; proficiency payments for special qualifications; shift payments, etc. However, nationally negotiated rates of pay principally mean that manual workers in local authorities receive a fixed rate for the job and they may stay in the same position all their working lives. In contrast to the conditions of service applying to administrative, professional, technical and clerical staffs in local government, there is no formalised system of staff appraisal. (88)

Whilst noting that from the 1930s the trend in industry had been towards a decline in the extent to which industry-wide agreements determined actual pay, the Donovan Commission highlighted the "unusual importance" of industry-wide agreements in determining the earnings of manual workers in local government. For example, in October 1966, the average basic rate of male manual workers in local government was £12.13.0. and average earnings were £15.18.10 most of the difference being overtime. (89) With the excessive reliance upon national wage settlements, manual workers in local government did not gain from the tendency towards wage drift resulting from incentive earnings, factory additions to basic and high levels of overtime which were most marked between 1962 and 1967. A report of the National Board for Prices and Incomes in 1967 concluded that local authority manual workers were lowly paid in comparison with their counterparts in industry. Despite national pay rates that compared favourably with those negotiated elsewhere the average weekly earnings of manual workers in local government were far below the average for all industries. In fact, in none of the 129 industries covered by the Ministry of Labour's list were earnings lower than in local government. In accounting for the difference, the Board also suggested that it could in part reflect the fact that local government has "a lower proportion of skilled labour than is found in industry generally." The Board however noted that on the credit side other conditions such as holiday entitlements, sick pay provisions and pension schemes were as good as, if not better than, industry in general. (90)

In effect the problem of low pay among local government manual workers was exacerbated by the institution of incomes policy. In the first 14 months of incomes policy from April 1965 to the middle of the following year, local authority manual workers all received increases around the "norm" of 3 - 3½% whilst in industry, wage increases frequently exceeded this limit. (91) As a result, the Trade Union Side presented a lengthy argument for a 9.5% pay increase based on the fact that whilst the "all industries index of earnings" showed increases in the last 20 years of 243%, that of local government workers had only rose by 225%. In contrast to the view held by the NBPI it was held that "low rates, short overtime hours and few incentive schemes together explain the low earnings in local government" (92)

For the Trade Union Side it is important to note that many of the

Unions representing local authority manual workers had their origins, priorities and interests in other sectors, especially industry. For example, the general unions like the TGWU may have established local government sections whilst the craft unions may not have had any organisation dealing specifically with local government. Given the bias towards industry, it is likely that such Unions would display less patience with local government systems which were seen to restrict their members earnings and would accept the differences between local government and industry with less readiness than those unions which were based upon local government principles. (93)

The Trade Union dissatisfaction with a national collective bargaining machinery which left little scope for local variation except in respect of bonusing, was adequately demonstrated by their reaction to the report of the National Board for Prices and Incomes which recommended that the only release from the "straightjacket" of incomes policy was greater productivity. In response to the report, the Unions supported the extension of incentive bonus schemes as a means of achieving higher pay and greater productivity without raising rates or taxes. Lord Cooper, the General Secretary of the GMWU, went further in calling for more flexibility between grades and changes in the spread of hours and manning levels. (94)

Whilst the CBI had maintained that plant bargaining:

"if widely resorted to, makes impossible any national planning with regard to incomes; that in conditions of full employment it cannot be other than inflationary; that it encourages instability in the labour force (through bidding up for labour to which it gives rise); that it increases the scope for unofficial strikes and other forms of industrial action; and that it is calculated to weaken the organisation of Trade Unions and employers' associations to the ultimate detriment of both workers and managements and of the economy." (95)

Suggestions for greater freedom in local negotiations based on productivity were completely in line with the tenor of the Donovan Commission. However, in practice, the development of productivity bargaining in local government was likely to encounter a number of obstacles. Essentially, productivity is difficult to measure in any service and in Local Government given the comprehensive system of national negotiations built up over the years, there was likely to be a basic resistance to paying higher rates locally.

As far as the use of work measurement techniques are concerned the

emphasis in industry has always tended to be on productivity, in other words, on output. In local government the use of work measurement techniques has however, centred around the development of incentive payment schemes as a means of achieving savings in manpower. (96) The distinction between an incentive scheme and productivity bargaining is significant here. A productivity bargaining agreement may be defined as:

"One in which workers agree to make a change or a number of changes in work practices that will lead in itself to more economical working; and in return the employer agrees to a higher level of pay and other benefits." (97)

An incentive scheme however, merely speeds up the work done under existing systems and methods. An emphasis on productivity bargaining thus poses an inevitable and fundamental threat to any system of national negotiations as agreements on pay cannot be divorced from arrangements for working practices. Negotiations at local level assume overriding importance in the drive for the more efficient utilisation of labour and plant. (98)

Given this fundamental difference between productivity bargaining and incentive schemes, it is not surprising that the National Board for Prices and Incomes' call for greater productivity in local government caused confusion amongst those who failed to appreciate that productivity bargaining demanded a new approach to the "total work problem". In essence, the Board recognised the difficulties to be encountered and estimated that progress would be slow and the full implementation of a programme to raise productivity and thereby wages, would take several years. As a stop-gap the Board suggested the wider application of incentive bonus schemes. However, a Local Government Work Study Group suggested that even this objective would be difficult to achieve, the chief barrier being the attitude of local authorities. The cautious approach of local authorities explains why after two years, less than one fifth of local authorities had moved to meet the complaints of low pay and low productivity noted by the NBPI. (99) Where bonus schemes were applied they were regarded as almost the sole means of boosting national basic wage rates on a local basis and were often accepted on this basis alone, leaving an underlying resentment about the mechanistic philosophy of labour relations which the whole system implied. (100)

As other industries and groups of workers continued to outstrip

local authority manual workers and the whole pay situation was exacerbated by the government backed norm of 3½% increases in September 1969, (following the earlier freeze of 1966, and the period of "cautious moderation"), industrial relations were increasingly strained culminating in the "dirty jobs" strike of 1969/70. The annual round of pay negotiations in 1969 had included a re-evaluation of all manual worker occupations to produce a new pay structure. However on 22 September 1969, one London Borough ignored all agreed procedures for the re-evaluation and took immediate strike action in support of a claim for a £20 per week basic wage. Although the strike highlighted low pay, which was to become an issue dominating later wage negotiations, especially in 1974 and 1978/9, the strike was as much a reaction at local level against the remoteness, complexity and duration of national negotiations. The stoppage, which was unofficial, was similarly as much a revolt of the rank and file against their own Trade Union hierarchy as it was an attack on the employers. (101) A highly publicised unofficial strike of dustcart drivers in Glasgow and Liverpool was another example of the extremely heavy pressure which was being put on individual local authorities by local, unofficial action, to break national agreements or to ignore formal disputes and negotiating procedures. However, the dispute also highlighted another aspect of the changing industrial relations scene in local government. The dispute had developed from a private sector settlement for heavy goods vehicle drivers, an occupation common to local government and private industry and signalled the start of increasing difficulties for local government in pay comparisons, especially where other employers were less punctilious in observing national incomes policy. (102)

The dissatisfaction of employees was accompanied by a growing sense of dissatisfaction with the whole national collective bargaining system within individual authorities and in the three Local Authority Associations. The Association of Metropolitan Authorities suggested that responsibility for pay bargaining should be placed firmly on itself and the Association of County Councils. The Association of County Councils was concerned about the extent to which the membership of the Employers' sides of the Provincial Councils and the NJCs did not reflect the different proportions of the labour force employed by the metropolitan, county and district authorities. (103)

General dissatisfaction was not ameliorated by the impact of

"comparability studies" on the size and timing of pay settlements in 1979 and 1980. Except for the Fire and Police Forces, all local government pay groups within the settlement dates November 1978 to July 1979 concluded interim agreements and referred final conclusions to the outcome of external pay comparisons. The manual workers' position was referred to the Standing Commission on Pay Comparability which was set up as a way of resolving the wave of public sector disputes. With a variety of settlement dates, differing Union pressures, little time to establish principles and the many different approaches to the form which comparisons should take the result was a tangle of different levels of settlement (even for similar groups) and different staged settlement dates. (104)

The use of external comparisons thus gave rise to a whole new set of internal relativity problems and created a variety of precedents about the use of comparative pay data which were based on a series of largely unco-ordinated responses to immediate pay pressures. The principle of basing local government pay wholly on fair comparison with the pay of workers outside the service represented the biggest single change in pay determination in the history of the NJCs. Although in the past comparability had figured to some degree in pay determination, reference to the Standing Commission implied that the traditional questions about the going rate of annual pay settlements, or arguments about movements in the RPI or even about the employers' ability to pay would be neglected. Pay levels would be exclusively set by reference to external comparators over whose pay local government employers would have no control or influence. (105)

Clearly then in contrast to experience regarding the "officers" of Local Government, the principle of collective bargaining for wage earners employed by local authorities was readily accepted in the inter-war years, although during that period national arrangements did accommodate a significant degree of local autonomy.

With the development of the Joint National Councils in the post-war era, a trend towards the transfer of power from the provincial to the national bargaining level set in, culminating in the development of national standard wage rates within the Local Government Service. Whilst this in itself may be regarded as common practice for manual workers employed in other sectors of the economy, the widespread adherence to industry-wide agreements coupled with the lack of

variation at the local level was a factor peculiar to local Government tending towards relatively low average earnings. It is argued that whilst the industrial origins of Trade Union representation contributed towards resentment of a Local Government system which restricted members earnings relative to those in other sectors, this was probably exacerbated by the distinctions made between "officer" and "servant". Whilst it may be held that Trade Unions whose origins lay within the Service would be more likely to exercise restraint, it should be borne in mind that negotiating arrangements for the members of such Unions had historically embraced the principle of local autonomy and local variation offering in turn the possibility of substantial gain from the process of staff appraisal.

For the manual worker in Local Government subject to the strict confines of nationally negotiated agreements, the only prospect of boosting earnings lay in the application of productivity agreements. However, application of these agreements within a service sector would inevitably involve difficulties of measurement and particularly in Local Government where traditionally national wage rates had dominated, particular resistance to local variation was likely to be encountered.

As industrial relations in the Service became strained, the unofficial action of the 1960s represented a reaction against an increasingly remote national bargaining structure. The attempt to resolve the situation by reference to external comparators may be regarded as a manifestation of the inability of collective bargaining structures to cope with manual worker conditions in Local Government. The following chapter, which considers industrial relations at Manchester Airport, provides evidence to suggest that initially Trade Unions, and eventually airport management, increasingly rejected national negotiating structures as being incapable of responding to the needs of airport operation.

7.3 COLLECTIVE BARGAINING IN THE CIVIL AIR TRANSPORT INDUSTRY

Prior to the Second World War when the civil air transport industry was characterised by a relatively large number of small private airlines and a few larger companies there was very little state interference in collective bargaining and industrial relations. However, provisions for the establishment of the British Overseas Airways Corporation embodied in an Act of Parliament in 1939 suggested

that central government was prepared to regard the question of industrial relations in British civil aviation as an area for special interest in the post war years. Section 37 of the British Overseas Airways Act, 1939 stated that in determining wages and conditions of employment the Corporation:

"shall take into account representations made to them by any body or organisation, the membership of which comprises a substantial proportion of the class or classes of employment concerned." (106)

This did not in itself provide for joint consultative machinery as such, but it made listening to and taking account of Union representations a statutory obligation on the Corporation.

As far as British airports are concerned, arrangements for the determination of wages and conditions of employment reflected ownership structures. Employees at airports owned by municipalities were covered by existing machineries for the negotiation of pay and conditions in local government. In line with the system outlined in Section 7.2 the pay and conditions of staff members were determined by individual local authorities although, as suggested, many of the larger authorities were operating grading systems and schemes of conditions of service which provided a measure of uniformity across the service. In the absence of any appropriate Joint Industrial Council for manual staffs at airports, individual local authorities determined wages and working conditions, although generally they were related to those prescribed by the Whitley Council for manual workers employed in the non-trading services of local authorities. (107)

At airports owned by the Ministry, Civil Service norms tended to apply. In common with local government the Whitley Committee Report of 1917/18 was influential in the setting up of machinery for the negotiation of pay and working conditions in the Civil Service. As NALGO had been supportive of the Whitley principle in local government so the Civil Service Unions demanded that the Government grant to them the same machinery for negotiation as recommended for private industry. The principle was established for Government industrial employees initially, although in the rest of the Civil Service the new Whitley Councils were constrained in their action being allowed no more than "consideration of the general principles" which should govern pay and conditions of service. Under continued Union pressure for collective bargaining a National Whitley Council was eventually instituted to deal

with the pay of general classes of civil servants employed in a number of departments. (108)

In contrast to both private industry and to a lesser degree local government, the official side of the collective bargaining machinery was conscious of the fact that the ability to meet claims for higher pay was limited only by the government's capacity to raise taxes and some criterion other than the ability to pay was needed to determine their offers as a defence against the accusation that the nation's resources were being squandered by over-paying civil servants. At the same time, the Government could have been open to the charge of niggardliness, encouraging others to be "good" employers whilst dealing harshly with its own work force. To defend themselves against accusations on both counts Ministers before 1914 had emphasised the need for comparability with occupations outside the service and in 1931 the Tomlin Committee raised the concept of comparability to a general principle by stating that "broad general comparisons between classes in the Service and outside occupations are possible and should be made." (109)

In 1946, the dilemma of "economical spending versus fair treatment" was also dealt with in the Fair Wages Resolution which adequately stated the government's general position, although it specifically related to government contracts. In requiring contractors to pay work people fair wages and to apply fair conditions of employment, the concept of fairness was defined as

"rates of wages . . . hours and conditions of labour, not less favourable than those established in the relevant collective agreement for the trade or industry in the district." (110)

The principles of fairness and comparability were to become crucial features of collective bargaining in the Civil Service with the publication of the report of the Priestley Commission in 1955. The Priestley Commission established the formula of "an efficient Civil Service fairly remunerated" and recommended that:

"the primary principle for determining the pay of civil servants should be fair comparison with the current remuneration of outside staffs employed on broadly comparable work, taking account of other differences in conditions of service." (111)

The Civil Service Pay Research Unit was the outcome of the Priestley recommendations and its task was to discover staffs engaged in comparable work and to conduct periodic investigations into the

remuneration and work of outside analogues for each class of non-industrial civil servant. The results of its fact finding exercises were to be evaluated by negotiation with reference to the Civil Service Arbitration Tribunal, if agreement could not be reached. (112) As the civil servants employed at Ministry Airports were regarded as being indistinct from civil servants employed by any other government department, the determination of their pay and conditions of employment could proceed along similar lines, and the significance of the early establishment of the Civil Service Pay Research Unit is adequately highlighted by Balfour who maintains that in a later period under the constraints of the government's prices and incomes policy clerical and other related groups in the Civil Service kept their position in the wages and salaries race fairly well largely as a result of the work of the Unit in comparing jobs in the Civil Service with those in industry, commerce and the public services. (113)

As far as manual, including craft workers at Ministry airports are concerned, they were regarded as industrial civil servants for the purposes of determining pay and conditions of employment and in the main, were paid rates in accordance with the average movements of rates outside the Civil Service. Up to 1940, district averages were used for each separate establishment but in that year, it was agreed that rates should be settled nationally by amongst others, the Miscellaneous Trades Joint Council for Government Industrial Establishments. The craft rates, one for London and the other for the provinces, were fixed by averaging the minimum time-work craft rates paid in 22 industries and two "M" rates for labourers were similarly settled by averaging the rates paid in 34 outside industries. These four rates were to be adjusted every six months.

Effectively, the principle of comparability which applied to non-industrial civil servants was to apply to the industrial Civil Service. However, one fundamental difference emerged in practice. The Civil Service Pay Research Unit investigated remuneration and not merely minimum rates, so the process of "fair comparison" provided the non-industrial civil servant with much the same income as the outside analogue. The position of the manual worker was complicated by various systems of payment by results, plus rates and overtime which could increase the earnings of manual workers to a level far above minimum time rates. So the pay of industrial civil servants based on a

comparison of minimum time rates could only have equated with the level of earnings of comparators in other sectors if the average additional payments to each group came to the same figure. (114) Obviously, this would be difficult to achieve. The report of the Donovan Commission in 1968 which addressed the problems of industrial relations in British industry highlighted the way in which the volume of overtime had fluctuated with an increasing trend throughout the 1950s and 1960s, not as the result of labour shortage but as a means of increasing earnings to an acceptable level. The standard working week which had been 47 or 48 hours in 1938 had been reduced to 40 hours, but average weekly hours actually worked had dropped by only one and a half hours between 1938 and 1967. The average amount of overtime worked in different industries differed considerably across the board as it was governed by the principle of "managerial prerogative" and, therefore, could not be included in any formal industry-wide agreements. (115) Craftsmen in the Civil Service were paid supplementary rates according to skill and experience and most of the remainder of industrial civil servants represented semi-skilled workers who received "lead" payments in addition to the basic "M" rate. Many worked overtime and by the mid 1960s, about 15% of the total labour force received some form of payment by results. (116) The National Board for Prices and Incomes found that earnings were generally lower in the industrial civil service:

"although the present system is designed to give industrial civil servants pay comparable with that of their counterparts in private industry, it often fails to do so." (117)

Thus for all classes of employee whether based at Ministry or local authority controlled airports, the determination of pay and conditions of service proceeded along the lines of the principles governing each sector in the early post war years. However, nationalisation of the civil air transport industry after the Second World War which had an immediate and direct impact on the framework for industrial relations in UK airlines, had a long term effect on attitudes on both the newly nationalised scheduled service airports and local authority controlled airports in subsequent years.

Initially, it will be useful to identify the major factors which determine the framework of industrial relations in nationalised industries as distinct from private undertakings. Richardson maintains

that from the workers' point of view, the similarities between working conditions and industrial relations in a nationalised industry and those in private industry are greater than the differences. Hours of work and wages will, in the long run, keep approximately in line with those in private industry as nationalised industries will experience the effects of changes in demand for their products and services whether due to the competition of other goods and services, to foreign competition, or to variations in the general level of prosperity. The negotiation of changes in the level of wages will involve all the possibilities for disagreement which are present in private industry. (118)

From the employers' point of view, significant differences of attitude emerge. In principle workers in nationalised industries have no claim to preferential treatment and the State, whilst endeavouring to be a "good" employer, will tend to adopt standards which correspond with those of "good" employers in the private sector. However, in the event of a dispute or clash of interests in a nationalised industry, the government can no longer "hold the ring" it is in the ring as a contestant, and therefore, cannot be judge in its own cause as is the case with disputes arising in private industry. The government must, therefore, be especially vigilant to prevent serious clashes and where they arise, it must make every effort to secure a fair and reasonable settlement. At the same time, government must be mindful of its responsibility to other nationalised industries and private industries - it would be open to criticism if it used its resources to accede to demands which involved favouring one industry which would be unfair to others. (119)

The fact that a nationalised industry is controlled by one single authority implies that wages and working conditions will tend to become more standardised throughout the industry and that an industry-wide system of industrial relations will be established. The industry as a unified undertaking, unlike the separate firms in private industry which differ from one another in their capacity to pay, will tend to treat all its work people in accordance with the same general principles.

As the controlling authority strives to apply the same general principles to all its work force, so-called "scientific" wage structures will be devised and progressively applied. Thus the wage

anomalies inherited by a recently nationalised industry, many of which are the result of historical factors including wage differences due to no other cause than that they had been paid by separate firms, should be limited. (120) In general then, the framework for the conduct of industrial relations within a nationalised industry should tend towards the provision of measures designed to minimise the potential for conflict; improved industrial relations and a measure of uniformity across the industry as a whole.

The Nationalisation Acts of the post-war era reflected such general principles in embodying the public policy that joint negotiation and joint consultation were to be determined with a view to improving the tone of relationships in the newly created public corporations. (121) Primarily, the Airways Corporations established by the Labour administration of 1945 had inherited labour problems similar to most other public corporations. For example, manual workers had been strongly organised in Trade Unions for decades and collective bargaining had long been established. (122) However, it is worth noting that the nature of the operating conditions in the civil air transport industry served to underline the need to provide a more stable framework for the conduct of industrial relations.

The highly integrated nature of airline service operations where, for example, maintenance work had to be done and aeroplanes could not fly without fitters and engineers as well as mechanics and others to refuel and service aircraft, meant that action whether in small or large groups could render the entire service unusable. The high degree of unionisation within the airline sector owed much to this effect as employees discovered negotiating power as a tightly knit group. (123) Secondly, the provision of good conditions of service and employment were especially important in the British Civil aviation industry as it constituted a transport industry where reliability of operations is a vital quality feature of the product. A strike could affect an airline immediately as its services for passengers are highly perishable. While some flights which are cancelled may find the same passengers a few days or even a week or two later, the majority of passengers would transfer to other airlines. The revenue lost to a strike-bound airline would, therefore, be largely irrecoverable. (124)

The Edwards Committee report published in 1969 underlined the importance of good industrial relations in the airline industry

emphasising the high cost of failure and citing evidence submitted by BOAC to the effect that "the restriction of pilot co-operation" and an eventual strike between 16 June 1968 and 3 July 1968 together caused the Corporation an estimated loss of approximately £8 million as against group profits of £8.2 million for the half year under consideration. (125) However, it should be noted that in addition to the immediate high cost of failure, in an earlier era, the whole future of the industry could have been undermined by industrial action which could have been construed as impairing safety standards at a time when Government was trying to convince the public to be "air-minded".

In addition to the nature of the operating conditions in the industry, there are other more broadly based but equally powerful reasons why government should have been particularly interested in the course of industrial relations in the newly created airways corporations. Hans Heymann, an American economist, in an address to IATA's 6th Public Relations Conference at Washington DC in November 1962, drew attention to the fact that even at that time, by which the industry had experienced substantial growth

"By the conventional measures used by economists - GNP and total employment - the contribution of international air transport can be dismissed in one word: "trivial"."

However, governments have other special national interests in airlines. In the international field air services have always constituted a symbol of international prestige and national status. In the post war era, each newly emerging nation has almost invariably taken steps to form its own national airline. Like possession of the flag and the exchange of ambassadors, it has been regarded as an external sign that nationhood has been achieved. (126) Secondly, although in terms of GNP and employment, the civil air transport industry may have been small in 1945, its importance to high ranking executives in industry and commerce and politicians should not be under-valued. The speed and convenience of air services and the saving of scarce human and physical resources could produce large indirect economic advantages. (127)

Bearing such considerations in mind, there was a particular need in the civil air transport industry to create a sense of professionalism at all levels of employment. "Hire and fire" was no longer perceived as the solution to industrial disputes and given the potential power of

organised groups of workers within the industry, the essential prerequisite of avoiding the disruption of air services arising from industrial disputes was seen to be the development of a sense of responsibility in each individual for the job performed. (128)

In order to fully appreciate the significance of such conditions which related to the civil air transport industry as distinct from other industries which were included in the nationalisation programme of the Labour administration, it is useful to cite instances where the course of events in respect of civil air transport did not necessarily adhere to the general principles laid down for nationalisation. Firstly, evidence is provided by the deliberations of the Committee on Public Utility Corporations which concerned itself with the salaries of senior staffs of the Boards. The Committee drew attention to the potential problems which could be encountered if the boards were left completely free to determine such salaries. The Committee recognised that, if in the community as a whole, similar standards of ability, technical knowledge and responsibility were remunerated on widely differing lines, economic and social grievances and inequalities could arise which would compel government action in the long run. The Committee suggested that it could be regarded as a government responsibility to prevent the emergence of such anomalies in fields over which it exercised control and had accepted a general measure of responsibility. Similarly, if the newly created public corporations were left free to pay what they liked, this could lead to undesirable competition for recruitment within the government service proper and an undesirable tendency for people to be tempted out of the service of government and into the service of a corporation by the offer of markedly higher pay. (129) The Committee also put the argument for discretion, suggesting that the public corporations were more likely to be in competition with private industry and not the Government service. On balance, it was concluded that the question was only a real one in the comparatively small group of higher paid staffs since industrial wages and, to an increasing extent, clerical and other salaries were being regulated by industrial agreements and arbitration awards; in consequence discretion was favoured. (130)

With respect to the Airways Corporations' discussions between the Treasury and Permanent Secretary of the Ministry of Civil Aviation confirmed that there was little concern about the possibility that at

lower administrative and clerical levels salaries would be badly out of line with the Civil Service. However, in relation to technical staffs, the Airways Corporations in competition with each other and foreign companies, were proposing to offer salaries 30-50% higher than those offered by the Ministry of Civil Aviation. (131) The Minister of Civil Aviation had envisaged the Civil Aviation Bill including provisions about the remuneration and conditions of service in the three Airways Corporations, to the effect that they would have power to determine rates "in conformity with ordinary commercial standards", but in order to avoid conflict with the public interest the Minister

"shall require the Corporations to consult him about salaries and conditions of individual principal executives and the general standards of other classes of employees."

However, the granting of specific powers to the Minister to intervene in matters of remuneration and conditions was regarded as "objectionable" by the President of the Board of Trade, and it was agreed to leave such matters for informal discussion between the Minister and the Chairmen of the Corporations. (132)

In April 1946, it was agreed that the £1,000 per annum paid to part-time Governors of the BBC should be cut to £600. However, the payment of £1,500 to part-time members of the three airways corporations (£1,000 if not undertaking executive duties) was agreed by the Treasury. (133) The evidence cited may suggest that despite the need for Government not to be seen to be favouring one nationalised industry over another, there were forces within the Government which felt that the special needs of the civil air transport industry justifiably warranted different treatment especially at senior level.

In respect of the statutory provisions which were made for dealing with the remuneration and conditions of other staffs in the Airways Corporations, again treatment differed from other nationalised industries. Proposals of the Minister of Civil Aviation considered in January 1946 dealt with the subject in a comprehensive way. The Corporations were to be required to establish joint consultative machinery, consisting of management and staff representatives "for the discussion of rates of remuneration, conditions of service and welfare arrangements." Other Ministers agreed expressing the hope that the Corporations would do so without the need for regulations. So, whilst

for example, the Minister of Fuel and Power was telling the House of Commons that statutory provision was unnecessary in the coal industry, senior Ministers were agreeing that it was necessary in the case of civil aviation. (134)

Principally, the Minister of Civil Aviation's proposals had nothing to do with current or war-time views and experience or the prompting of the Minister of Labour and National Service but was a reflection of the British Overseas Airways Act 1939, mentioned earlier. Whereas this legislation had urged BOAC to take account of Union representations, the Civil Aviation Bill 1946 took matters a step further by making joint consultation a statutory obligation. Evidence may be cited to highlight the need for the change of emphasis with particular reference to BOAC. For example, although workers in the engineering departments of the corporation had for some time been organised by such Trade Unions as the Amalgamated Engineering Union, the Amalgamated Society of Woodworkers, the Electrical Trades Union, the National Union of General and Municipal Workers, the National Union of Sheet Metal Workers and Braziers and the Transport and General Workers' Union, it was 1943 before the corporation had shown willing to enter into an industrial agreement with the Trade Unions. According to the AEU "the task was not easy" and the employers had viewed the approaches of the Trade Union "with suspicion." The national agreement operative from 4 April 1943, which was restricted to the engineering departments, had represented an improvement on that which had operated in any of the corporation's depots or establishments previously and covered hours of work, rates of pay, proficiency payments, shift allowances, holiday entitlement and provisions for local representation. (135)

Section 19 of the Civil Aviation Act, 1946 required the airways corporations - British Overseas Airways Corporation, British European Airways and British South American Airways - to make arrangements for joint consultation and negotiation with the organisations the corporations deemed to represent the staff. The machinery was to be established and maintained for (a) the settlement by negotiation of terms and conditions of employment of persons employed by the corporation, with provision for reference to arbitration in default of such settlement in such cases as may be determined by or under such agreements; and (b) the discussion of matters affecting the safety, health and welfare of persons employed by the corporation and of

matters of mutual interest to the corporation and such persons, including efficiency in the operation of the corporation's services.

(136) The Act made a distinction between the areas which should be dealt with by negotiation, which included terms and conditions of employment (pay, pensions, working hours, period of notice, etc) and those which should be dealt with by consultation including "matters of mutual interest" (safety, health, welfare, efficiency). It should be stressed that primarily the Act applied to all British airlines, but Section 19 was only binding on the corporations. (137) The position of the independent operator was however, clarified in Section 15 (1) of the Civil Aviation Act, 1949 which required that the terms and conditions of employment for employees of the independent operators should not be less favourable than those observed by the corporations "in the case of persons engaged in comparable work." Section 15 (2) of the Act provided for reference to the Industrial Court in the event of a dispute as to whether terms and conditions ought to comply with the requirements of Section 15 (1).

Although the wording of the Civil Aviation Act did not require the corporations to act together in setting up the machinery for negotiation and consultation, they decided that collective action was the most appropriate means of ensuring that their statutory obligations were fulfilled. Thus the National Joint Council for Civil Air Transport (NJCCAT) was set up in 1946 with the declared object of securing the largest possible measure of joint action between employers and employed in the establishment of machinery for the regulation of terms and conditions of employment; the discussion of matters affecting the safety, health and welfare of employees and other matters of mutual interest, and the establishment of procedures for the settlement of differences. (138) At its inception, the employers' side constituted the three corporations but provision was made for the independent operators to become members of the Council as well. The original Trade Union membership of the Council represented the wide spectrum of employment offered by the corporations. The Unions included were the British Airline Pilots' Association, the Association of Supervisory Staffs, Executives and Technicians, the Association of Engineering and Shipbuilding Draughtsmen, the Radio Officers' Union, the AEU, the ETU, the Amalgamated Society of Woodworkers, the National Union of Sheet Metal Workers and Braziers, the National Union of General and Municipal

Workers, the TGWU and the Navigators and Engineer Officers' Union. No Trade Union or employer could be added to the list without the consent of the Council. (139)

The machinery created by the NJC was to include the NJC itself as the final consultative and negotiating body at national level within the industry; the NJC acting as the sponsor of any other committees which might be created to form a comprehensive structure for negotiation and consultation. (140) Figure 7.7 depicts the NJC machinery which emerged.

The first major question which the NJC had to deal with was the means by which wages and conditions of employment for the wide variation of different groups would be dealt with and primarily this had to remain a matter for the particular Trade Unions concerned. A system of National Sectional Panels (NSPs) was therefore devised to negotiate terms and conditions of employment on an industry-wide basis for particular groups of employees. This provision was laid down in the constitution of the NJC which states:

"The Council shall form Sectional Joint Panels for such groups of employees of the employers as the Council shall decide. The Constitution of each of the Sectional Panels so formed and the manner of appointment of the members shall be determined by the Council. Each of the Sectional Panels shall be given plenary powers to negotiate and settle terms and conditions of employment of particular interest to the groups of employees covered by the Sectional Panel." (141)

In deciding how employees should be grouped for the panels, it was important to appreciate that too many would be wasteful of time and effort and create problems of liaison. On the other hand, too few would mean that employees who might have very little in common would find themselves lumped together discussing each others' business creating difficulties in the resolution of particular problems. (142) In essence, there have always been 10 or 11 Sectional Panels under the NJC although their constitution and scope have been flexible. For example, as early as 1948, attention was given to the original allocation of various grades to panels set up under the negotiating procedure and the scope of the Engineering and Maintenance Panel was extended to include all hourly-rated engineering staffs, embracing engineering labourers, engineering process workers, engineering tradesmen, engineering plant maintenance workers, building maintenance workers, stores labourers, stores assistants, storekeepers, stores

section leaders and workshop progress men. (143) Similarly, in 1954, the Supervisory and Technical National Sectional Panel was reconstituted allowing the AEU and ETU to have direct representation on the panel, thereby providing the means by which these Trade Unions could fully represent any member who was promoted to supervisory or technical grades. (144)

For the purpose of consultation on matters of local concern or of concern to a particular corporation, the NJC set up local committees at establishments in the UK having not less than 30 employees falling within the scope of the Sectional Panels. These local committees were to fall into two categories. Firstly, local panel committees represented members of the same (or similar) occupational group working at the same location. The occupational groupings used for these committees corresponded with the groupings used for the NSPs. The general function of the local panels was to promote consultation between local management and staff representatives on matters relating to working conditions and production. Local panels could not reach decisions contrary to national agreements on trade questions such as wages, nor could they decide on wider questions of policy going beyond their location or occupational grouping. However, local panels could discuss such matters and refer them to their NSP or to the NJC itself. In essence then, the local panels were bound by national agreements and were empowered to consider and decide matters of local concern within the framework of agreements recorded by their appropriate NSP but they did not have any power to alter such agreements or to take local decisions at variance with them. The local structure was supplemented by local joint panel committees representing members of a number of occupational groups working at the same location. Their function was to discuss matters of common concern to all employees at a particular base or station, or to more than one local panel committee. (145)

Although the comprehensive machinery for negotiation and consultation at both national and local level devised by the NJC appeared quite systematic and capable of efficient operation, within a few years modifications were required. Within two years of its foundation it was found that given the extent to which "failure to agree" had been recorded at the local level some mechanism had to be provided to speed up settlements and, to this end, the NJC set up a joint standing committee composed of representatives of each side of

the Council with power to give decisions. (146) Nevertheless, complaints persisted that the machinery set up under the NJCCAT which was probably more comprehensive than that provided in any other industry "was not being used as it should be" and that there was a "lack of prior consultation". (147) As more issues became incapable of resolution at the local level and references to the national machinery negated the possibility of early settlement, industrial relations were strained not only between employers and Trade Unions but differences also began to emerge between lay representatives and the official Trade Union side. (148)

The whole panel machinery and consultative arrangements were constantly held up for review, however, disputes remained unsettled and the machinery was ultimately seen to fail in its inability to prevent a major conflict between the engineering staffs of BOAC and the employers in 1958. A disputed pay claim and overtime ban escalated into a long confrontation in which BOAC was accused of manipulating workers into strike action in order "to arbitrarily rid itself of certain people, in order to coerce the rest into submission." (149)

The reaction to claims of victimisation of shop stewards on the part of the Trade Union side was ambivalent. George Scott, the National Officer of the ETU, was supportive, whilst Jim Matthews, the Secretary of the NJCCAT and National Officer of the GMWU, suggested the existence of a "communist plot" at London Airport. (150) For the employers, the origins of the dispute lay beyond the originally disputed pay claim. Basil Smallpiece, the Managing Director of BOAC stated,

"Of course this present case is not an isolated one; it is the culmination of a trend over the last six years or more towards more and more unauthorised and unconstitutional interference with normal working. BEA took their stand against this trend some four years ago in an issue that has come to be known as the Peters Case, since when their relations with their staff have been much better. It's now our turn." (151)

The Shop Stewards at London summed up their view:

" the Trade Unions are not an extension of the Personnel Department of the Corporation. It is not the function of the Trade Unions, or of the Trade Union Officers, to issue instructions to their members on behalf of the employers. . . Trade Unionism is a defensive instrument for maintaining or improving labour standards."

The dispute which continued for months could only be settled by the intervention of the Industrial Court in November. (152)

With the growth of commercial aviation in the 1960s and the

introduction of productivity bargaining, largely as a response to government prices and incomes policy, greater strains were placed on the negotiating and consultative machinery and the involvement of the local level increased. Subjects covered by joint consultation in the airline industry had included welfare, physical working conditions, efficiency and administrative matters but not pay. Pay had to be negotiated nationally and local grievances were not considered a desirable subject for discussion by consultative committees. With prices and incomes policy, the questions of efficiency, productivity and remuneration were inextricably linked. (153) The two tier productivity and pay agreements in the 1960s recognised that success in negotiating productivity improvements depends on agreement at local level. The "Tier I" agreement of August 1967 gave wage and salary increases over a three year period of 4%, 4½% and another 4½% in return for the acceptance by all staffs of changes in working practices designed to increase productivity. Whilst Tier I was negotiated by the National Sectional Panels, Tier II provided for additional productivity measures affecting the specific activities of groups of staff, giving the opportunity for more pay by additional contributions to productivity. (154)

Whilst the local machinery became more heavily involved in pay, the NJC found it increasingly difficult to cope with the volume of work because members were not full time and meetings could not be speedily arranged. Although the NSPs were able to handle negotiations for their respective occupational groups, it was recognised that another committee was needed to assist the NJC in matters relating to all employees in air transport. Consequently, in May 1967, the NJC established a General Purpose Committee (GPC). The constitution of the GPC lists its function as:

- "(a) to determine conditions of employment common to employees covered by more than one National Sectional Panel, which will become obligatory on the National Sectional Panels concerned subject to confirmation by the Council
- (b) to act on behalf of, and with full authority of the Council in any matters of concern to the full Council which require quick action
- (c) to negotiate generally in regard to productivity and pay in respect of all grades of staff, with the permission of the Council." (155)

In short, where negotiations cut across the boundaries of the Sectional Panels, and where they apply to all members of staff, they are

conducted at GPC level.

Although the negotiating and consultative machinery set up by the NJC has evolved and efforts have been made to accommodate change, the preference to avoid long winded procedures for the settling of differences, short circuiting the system by going to dispute has remained, along with the pressure from lay representatives for a greater say in negotiation. (156) In 1974, the AEU took a policy decision which envisaged the elimination of the panel machinery to speed the resolution of differences supporting the total determination of pay and conditions locally. The implementation of this resolution was, however, resisted by both the Employers' Side and the Trade Union Side of the NJC. From the employers' point of view, probably the overriding priority was to restrict the role of Shop Stewards. On the Trade Union Side the general consensus was that the negotiation of pay and conditions on a domestic basis would inevitably lead to a deterioration of conditions in certain areas of the industry and undermine the leading position of civil aviation workers in the pay and conditions league tables. (157) In an address to the 1977 AUEW (Engineering Section) National Committee, the President of the Union summed up the position in relation to joint negotiation,

"For consecutive years you as a committee have re-affirmed a resolution adopted in the '60s or early '70s saying that we must secure certain things within civil air transport and if we could not, then we must come out. It is impossible to operate that resolution, as it means that members would be unrepresented, because not only would we be fighting management, but other Unions too if the management had the temerity to meet us in separate negotiations."

The President urged that the Union's members should not be brought out of the joint arrangements affecting civil air transport. (158)

Clearly, despite the original intention to provide a stable framework for the conduct of industrial relations in the airways corporations, the comprehensive system which emerged has been subject to various strains from within, which generally it has survived. Overlaying the internal strain emanating from the nature of the machinery itself has been the difficulty of embracing firms which constitute the independent sector of the airline industry. Similarly, the course of industrial relations has been complicated by differing views as to the constitution of the civil air transport industry per se. It is suggested that the very origins and development of the

NJCCAT reflects a preoccupation with airlines and a view that they exclusively constitute the civil air transport industry. However, in particular areas of work such as ground handling, labour of airlines, airports and other agents interface in providing a similar contribution towards the ultimate objective of the speedy movement of passengers and freight between two points.

In considering the quasi-private sector of the industry, it should be noted that from the outset the NJCCAT embodied provisions to allow for membership by the UK independent operators. In 1948, the Employers' Side sponsored an application by the Air Charter Association for membership. For the Trade Union Side, the need to obtain knowledge of the wages and working conditions applying in the various charter companies was seen to be the prerequisite to ensuring that they were brought into line with those applying in the three state corporations. (159) In effect this objective had been already legitimised by the provisions of the Civil Aviation Act 1949 cited earlier and was reinforced in 1952 when the Conservative government gave new opportunities for the private airlines to operate scheduled air services as associates of the corporations. The terms of reference given to the Air Transport Advisory Council made clear that private airlines should not undermine NJC standards of employment. Ministerial approval to any associate agreement was subject to his being satisfied that:

"(a) The terms and conditions of service of persons employed by the applicant contained in any agreement for the time being in force between the applicant and organisations representative of the persons employed, are not less favourable than those contained in agreements negotiated through the machinery of the National Joint Council for Civil Air Transport for persons employed in comparable work.

(b) Except in so far as the terms and conditions of employment of persons employed by the applicant are in accordance with any such agreement aforesaid, such terms and conditions are not less favourable than the terms and conditions observed by the Corporations in the case of persons engaged in comparable work."

(160)

The concept of comparability and interpretation of the scope of statutory obligations has been a stumbling block in industrial relations. Even where national agreements could be reached between the Trade Union and the Employers' Sides of the state corporations which were then accepted by the Association of Charter Companies or its successor, the Independent Airlines Association, claims for parity have

not always been met by individual operators. Not all independent airlines have felt the need to participate in the NJC machinery, but even those who have bargained collectively as members of the NJC have claimed from time to time, that they did not have to observe any agreements reached through the machinery. (161) In submitting evidence to the Edwards Committee in 1969, the Trade Unions considered the requirements of comparability in civil aviation legislation had not resulted in the independent operators agreeing to conditions of service similar to those in the corporations. The Trade Unions also cited the way in which some independent operators had set up subsidiaries not specifically "constituted for the purpose of providing air transport services or of carrying out other forms of aerial transport work", in other words, for maintenance, etc, thereby placing employees of those companies outside the protection afforded by legislation. (162)

In effect, the problem of comparability and the scope of legislative protection has extended beyond the airlines themselves with respect to employees engaged in ground operations. Whilst the state corporations have tended towards a preference for carrying out their ground handling themselves, by necessity independent operators have tended to use the services of an agent. "Necessity" derives from the fact that if every independent operator, of which there could be 30 or 40 operating out of a busy airport, were responsible for their own ground handling, the efficiency of ground operations would be undermined without excessive co-ordination and co-operation. Similarly, for the small airline, heavy expense may be involved if capacity for ground handling has to be provided at the end of every route flown. So the general tendency is for only large airlines to provide ground handling capacity at their base airports. From the labour point of view, however, different ownership structures may be regarded as superfluous in determining pay and conditions and similarity of tasks may result in claims for parity. These complexities are adequately demonstrated by an examination of industrial relations in a prominent handling agent, Servisair Limited, which was formed in 1967 and has provided services at a number of UK airports since April 1954, trading initially as Manchester Airport Agencies. As a handling agent, the company's position with respect to civil air transport is anomalous. It could be argued that there is a broad family resemblance between the jobs of groundstaff employed by the public corporations who fall within the scope of statutory

provisions relating to industrial relations in the industry and the jobs of those employed by handling agents on ground operations. (163)

As far as Servisair is concerned, there is a history of claims made by the Unions for parity with the public corporations. In 1967 the TGWU lodged a claim on behalf of its members under Section 8 of the Terms and Conditions of Employment Act 1959. The claim was heard by the Industrial Court on 28 November 1967, but failed on the grounds that:

"The Employers are not engaged in the industry (civil air transport) to which the . . . Terms of Reference relate. The claim has therefore not been established." (164)

In 1977, the TGWU lodged a claim on behalf of "Airport Manual Workers (Apron Services and Cargo Handlers) employed by Servisair Limited claiming that the employer was observing terms and conditions of employment less favourable than the recognised terms and conditions as defined in paragraph 2(a) of Part I of Schedule II of the Employment Protection Act 1975. The Central Arbitration Committee concluded that Servisair Limited was not engaged in civil air transport and that the claim was not well founded. (165)

A further claim for parity with British Airways was made by APEX on behalf of its members employed by Servisair in clerical grades. This claim made under Schedule II of the Employment Protection Act 1975, paragraph 2(b) alleged that the employer was observing terms and conditions of employment that were less favourable than the general level of terms and conditions, but again the committee found that the claim was not well founded.

In essence, both Unions had continually claimed that their members were entitled to parity with the state corporations. Each had pursued the same point of parity, though each under different legal circumstances. Each time the same comparators were advanced, that is, employers paying the highest remunerational levels in the civil air transport industry. The employers argued that the contention that its employees were in the same geographical spot doing the same work as British Airways was totally unsound and that:

"it would be utterly wrong to tie the company to any pay scales other than those related to its well being. The vast and numerous disparities of size and resources between Servisair and British Airways . . . would mean that a decision in favour of parity would be a decision for the termination of the Company's activities" (166)

The anomaly of the NUCCAT determining the pay and conditions of

employment of groundstaff employed by airlines, whilst others employed at airports who by the similarity of work could be regarded as contributing towards the final product of the civil air transport industry are differentiated by the structure of ownership, extends to groundstaff employed directly by airport authorities. As previously suggested, after the Second World War, employees at Ministry airports tended to be regarded as an integral part of the Civil Service indistinct from any other group of workers. Given the long established principle of comparability, the establishment of the NJCCAT influenced the determination of the wage rates for manual staffs at Ministry airports. Equality of earnings with outside analogues was facilitated by comparison with employees who worked under similar conditions, including requirements for shift operations, etc, at airports and had similar payment systems. Particular groups of groundstaff employed by the Ministry worked alongside employees of the airways corporations and under pressure from the TGWU and the Union for General and Municipal Workers which represented staffs in both areas the basis of pay, overtime rates and allowances for shift working were brought into line with the NJCCAT with effect from 1 October 1957. (167) The inextricable identity with the State Corporations would also have been reinforced when the specific tasks of baggage handling and aircraft loading transferred to the airlines at Heathrow and Gatwick airports in 1961 and 1963 respectively. (168)

For almost a decade, the majority of industrial staffs employed at Ministry airports enjoyed parity with BEA employees whilst the remainder continued to be remunerated on Civil Service grades. (169) However, the formation of the British Airports Authority in 1966 offered the opportunity to review negotiating procedures for staffs at the larger UK airports. Whilst assuming control of Heathrow, Gatwick, Stansted and Prestwick airports on Vesting Day, 1 April 1966, the Authority assumed responsibility for a staff of 3,128 of which 2,969 were on secondment from the Ministries of Aviation, Public Buildings and Works and Defence. The BAA represented the largest grouping of airports in the UK, handling 60.4% of passengers in 1966/7 with municipal airports accounting for 28.5%, the Board of Trade 9% and private UK airports 2.1%. Heathrow dominated the group handling 12 million passengers whilst Gatwick handled 1.6 million, Prestwick 0.5

million and Stansted 11,000. In terms of employment, again Heathrow dominated accounting for 1,973 of a total work force of 3,128 on 1 April 1966. Although part of the total ground handling function had transferred to the airlines, these airports still employed substantial numbers of industrial staff accounting for more than 50% of the total work forces. (170)

The BAA inherited eight different pay structures covering 80 different grades of industrial workers. Pay structures for the majority were related to BEA rates, whilst the remainder were on industrial civil servants rates or their pay was related to other agreements covering specific industries, for example, electrical contracting. Whilst six of the pay structures had involved a differential for staff at Heathrow, the other two structures covering the majority of industrial staff were based on BEA's practice and did not differentiate between Heathrow and other airports. In consolidating the new pay structures, the BAA standardised on the basis of rates in force for the greater number of workers. (171) In effect, the existence of the huge airport at Heathrow meant that staff could exert pressure to make continual upward adjustments in pay which would automatically apply at other airports in the group.

The Authority was conscious of the need to retain the majority of seconded civil servants which represented the largest collective body of expertise in airport planning and administration. The Authority determined to develop a professional structure which would appeal to their talents. In order to reinforce the existing expertise of the seconded civil service staffs, the BAA undertook a drive for the highly selective recruitment of specialist staffs outside the Civil Service, and within a year, the strength of the Authority had been increased to 3,389 of whom 729 had been directly recruited. The Civil Service class and grade system was deemed inappropriate and unworkable in the new commercial framework which prevailed. Seconded staffs had been drawn from more than 160 different Civil Service grades and classes, most of them with different rates of pay and conditions of employment. The need for simplification and integration into a uniform structure that would provide equitable conditions for staff recruited from external sectors whilst ensuring that they would be at least as attractive as those to which civil servants were accustomed was the major priority. In principle, the Authority also aimed to remove the kind of

distinction between white-collar and industrial staffs which was traditional to the Civil Service. (172)

On 25 August 1966, the Authority entered into an agreement with Staff Associations and Trade Unions including the Civil Service Clerical Association, Civil Service Union, Institution of Professional Civil Servants, Society of Civil Servants, the AEU, the GMWU, the National Federation of Building Trades Operatives and the TGWU. The agreement established a machinery for joint negotiation of wages and working conditions and the full range of issues affecting the working environment and employee relations (See Figure 7.8). Separate standing committees were established for industrial and non-industrial staff and agreement was reached on one pay structure for all non-industrial staff, whilst two closely allied structures were devised for skilled workers and other manual staffs. (173)

Local joint committees were set up at each airport with the object of providing a recognised means of consultation between management and employees at each airport, of securing the fullest measure of co-operation in the efficient working of each airport, of enabling employees to have a wider interest in and greater responsibility for the conditions under which their work was performed, to ensure that central agreements were put into effect and to prevent friction and misunderstanding. The local joint committees also formed an integral part of a procedure for dealing with grievances and avoiding disputes. Paragraph 15 of the constitutions of these committees stated:

"There shall be no withdrawal of labour, stoppages of work or closure whilst discussions under the constituted procedure are proceeding or pending." (174)

As previously suggested, the basic rates of pay for all BAA groundstaff were common to all BAA airports, with the exception of firemen at Heathrow who received more per annum than their counterparts elsewhere. The grading structure for groundstaffs was limited to five levels with separate structures being provided for firemen (who aspired to a status approaching non-industrial staff) and craftsmen, the most important being electricians, general fitters and motor transport fitters. In 1969, just over half of the BAA's non-craft manual workers were employed on the lowest grade "A" although significant differences occurred at individual airports. At Prestwick for example, the greater proportion of manual workers were employed on higher grades, reflecting

the wide range of duties where the airport authority discharges most of the services to airlines. (175)

In settling pay, one of the main principles which the BAA applied was the justification of increases through productivity agreements. Industrial staff were expected to continue to co-operate with management in the introduction of new methods of working designed to promote efficiency. Full flexibility of staff utilisation was to be achieved, giving the authority the right to determine the number of staff required for any particular task and to deploy staff as and when required between tasks and work areas. Many restrictive practices were to be removed with, for example, drivers being required to perform all duties incidental to the use of their vehicles such as washing and cleaning, routine daily inspections and assistance with loading and unloading. When not employed on their normal duties, firemen could be employed on general airport duties including driving. (176)

On the face of it, the BAA was establishing its own independent framework for the conduct of industrial relations, strengthening the involvement of the local committees, and establishing a firm link between domestic levels of pay and work performed. However, a second principle in settling pay re-introduced the long standing relationship with the NJCCAT and BEA. In general, the BAA's policy with respect to the pay and conditions of its employees was that they "should be settled within the context of BAA requirements" but "should continue to be no worse overall than those of the State airlines." (177)

In effect, the BAA was prepared to continue to adhere closely to the settlements in the NJCCAT thereby ensuring that staff would continue to be equated with the highest paid employees in the industry.

The adherence to NJCCAT agreements is demonstrated by a review of pay settlements in the early years of operation. Increases of 5-7% paid to BAA staffs from 1 July 1967 paralleled a first instalment under BEA's 1965 three year agreement. Six months later, BAA staff received a 4½% increase and on 1 January 1969, another 4% under the terms of a three year productivity deal signed in 1968 - the final instalment of 4½% being paid on 1 January 1970. The timing of this productivity agreement coincided almost exactly with the framework of a "Tier I" productivity agreement covering all employees of the NJCCAT under which similar increases were agreed. A further settlement applying to BAA

manual workers granted increases of 7% with a minimum 30 shillings extra per week with improved shift allowances and holiday entitlements from 1 October 1969. Unlike the 1968 three year agreement, however, this new deal was not based on quantifiable provisions related to improvements of productivity, but on a general contribution of BAA workers to overall efficiency in the past. This agreement followed closely on one within the NJCCAT's Engineering and Maintenance Panel, a "Tier II" agreement giving BEA and BOAC workers an increase of 30 shillings per week from 1 September and improved shift allowances. (178) In effect, whilst the BAA maintained independent negotiating structures, it was constantly mindful of agreements reached in the State Corporations even to the extent of ensuring that productivity deals were comparable.

Whilst settlements in the Ministry, and later the BAA airports, were increasingly influenced by settlements in the NJCCAT, ground staffs at local authority airports became increasingly integrated into the negotiating machinery of the NJC for Local Authorities Services (Manual Workers) by the coming together of these airports to determine jointly the pay and conditions of certain classes of employees. Primarily, the NJC determined the pay and conditions of the hundreds of thousands of local authority manual workers of whom less than 2,000 were employed at airports. Joint negotiation was catered for by the setting up of a Municipal Airports Panel under the auspices of the NJC, and a scheme for the grading of employees at municipal airports was agreed in April 1960. The new structure encompassed four specialist grades for covering airport hands, marshallers, duty crew and crash crew attendants/firemen. Other employees including general labourers, car park attendants, cleaners, gardeners, transport drivers, etc, were graded in accordance with the schedule of wages for General Classes issued by the National Joint Council. However, the scope of the Municipal Airports Panel was extended later to embrace security guards, car park attendants/labourers and semi-skilled engineers. The designation of "airport hand" represented a departure from past practice and the duties of the new designation were defined as labouring, loading, baggage handling, marshalling, left luggage, indicator boards, flare path, conducting airport tours, etc. The designation duty crew covered all these tasks but additionally involved re-fuelling and standing-by for crash crew and fire duties. At most of

the smaller airports, firemen/crash crew attendants were therefore not employed solely on fire duties. Similarly few airports employed marshallers as such with marshalling duties being undertaken by airport hands. In order to allow for the differing nature of work with scale of operation local authority airports were classified into four groups for pay purposes. The classification was based on published statistics of terminal passengers handled which could be re-assessed with future development or the falling off of traffic. Within the scope of the Municipal Airports Panel provision was made for supplementary payments at Provincial Council or individual local authority levels. (179)

A National Board for Prices and Incomes report, which examined the pay of groundstaffs at airports in 1969, highlighted the anomalous position of these staffs employed under different ownership structures. In general, the report found that similar tasks were carried out by workers of different status at different airports. The range of tasks carried out by a particular grade varied from airport to airport even within the same airport owner group, although there were distinct similarities across the board. Equally, the similarity between the jobs of airport and airline groundstaff was highlighted as an inevitability since at any given time airport staff at some airports will carry out the tasks which at other airports with a different division of functions will be performed by airline staff. (180)

As far as pay and conditions of service are concerned the basic grade in local authorities equivalent to the BAA's grade "A" was identified as airport hand. However, any similarity of pay and conditions ended here. The Board found that largely as a result of different productivity agreements substantial differences in the basic pay of comparable groundstaff occurred at airports both within the same owner groups and between them. Allowances given for shift and weekend or night working differed between different owner groups because they were determined in different ways. At BAA airports varying lump sum payments were made depending on the actual shifts worked whilst local authority airports made hourly payments for alternating or rotating shifts plus premium payments for Saturday afternoon and Sunday working which were related to basic rates. The different systems gave widely differing results for shift working with BAA staffs generally receiving higher payments for most combinations of hours than their local authority counterparts. Similarly rates for overtime working differed;

the rate for Sunday working being time and two thirds at BAA airports and double time at local authority airports. (181)

The Board similarly found that on balance the total earnings of airport staff employed at BAA airports were greater than their local authority counterparts, the difference being most marked in the case of firemen and craftsmen. The only way in which the earnings of local authority staffs could be brought close to their BAA colleagues was by working more hours. Rostered overtime was highest at local authority airports averaging 3.9 to 5.7 hours per week for different classes as compared with less than one hour at BAA airports. Unscheduled overtime was however, higher for the BAA (6.8 hours as opposed to 4.4 hours). (182)

Other evidence suggests that the basic rates of pay for airport workers in the local authorities continued to be relatively low with earnings being brought near to the national average only by excessive overtime working, throughout the next decade. In 1977, the top basic rate at most municipal airports was £41.52; the national average weekly earnings for male manual workers at the same time was £73.12. Tables 7.1 and 7.2 highlight the incidence of overtime working at most local authority airports which provided the means of increasing earnings to approximate to the national average.

The amount of overtime working at municipal airports which averaged just above 11 hours per week was far in excess of the national average for male manual workers in 1977 which was 5.8 hours per week. (183)

The question of low pay among local authority airport manual workers in comparison to their airline and other airport counterparts was taken up by a special joint committee of the Municipal Airport Panel in 1978. In considering rates of pay, the terms of reference of the committee were to consider: "developments with regard to the BAA and British Airways pay and grading restructuring exercises and self financing productivity arrangements."

The working party found that although the BAA employed firemen and (at airports in Scotland), apron staff who carried out duties similar to those employed at municipal airports there were great differences in rates of pay between BAA and British Airways employees on the one hand and Municipal Airport Panel employees on the other. Of overriding significance was the way in which earnings had diverged during the period of government pay policy. Evidence already existed to suggest

that during the period of pay restraint in the 1960s despite the co-ordination of negotiations even when different companies and occupational groups had been involved the increases paid to BEA, BOAC and BAA employees had been at least twice the "norm" of 3½% and higher for some groups. Local authorities which had interpreted government pay policy in the strictest terms had, however, paid their airport workers in common with others, 3½% in 1968. Similarly during the period of pay policy operating from July 1975, municipal airport employees had received the wage increases permissible under each stage (£6.00 per week supplement in January 1976, 5% supplement in January 1977 and 10% increase in January 1978). During the same period both BAA and BA employees received increases beyond the limits set by pay policy, receiving government approval on the basis that the increases in rates of pay could be met from savings achieved by productivity schemes. Productivity schemes based on the "value added" concept were introduced giving all employees a bonus of 10%. In addition, the BAA carried out a pay and grading review giving operative grades increases of up to £12 per week from 1 November 1978. Similarly, British Airways reviewed the grading structures of its apron employees from 1 January 1979 which gave increases in basic rates of up to £15 per week with substantial increases in shift pay and the introduction of a 5% productivity scheme. (184)

As far as the Trade Union side of the Municipal Airports Panel is concerned the problem of the local authority commitment to pay policy could have been adequately dealt with by the employers joining them in an approach to government for municipal airport employees to be treated as a special case within pay policy on the grounds of comparability of earnings with BAA and BA. The employers however, rejected the possibility of an approach to government but recognised that existing arrangements failed to reflect the widely differing duties and scale of operations at the 19 municipal airports falling within the purview of the Municipal Airports Panel, and that rates - particularly at the larger airports - had fallen seriously out of line with BAA and British Airways. (185) Both sides of the Panel could, therefore, accept the recommendations of the working party that the relevant comparator for airport hands employed at municipal airports should be BA ground services grades one to four; airport hands should be divided into four grades matching grades one to four in BA; the relevant comparator for

security guards should be BAA and the relevant comparator for full time firemen employed at the larger municipal airports should be BAA. (186) In determining rates of pay, the employers' major concern was for the smaller airports supporting financial losses which might not be able to meet the cost of large increases. This became a bone of contention between the two sides of the Panel, the employers proposing that the classification of airports be revised to three groups, whilst the Trade Union Side supported a two group classification with most airports falling within the higher category.

In seeking parity with BA, the employers suggested that a 20% allowance for productivity/efficiency be made. This proposal was designed to ensure that any increases in rates of pay could be achieved with the minimum additional cost and would, therefore, be more likely to receive government approval; that municipal airports could implement as a condition of the revised wages structure, improvements in working arrangements that could result in savings and that productivity payments would provide a means of reducing earnings in the event of future industrial disputes. (187)

Whilst the principle of comparability could be agreed by both sides the means by which it should be achieved remained a point of contention in the late 1970s. The institution of the Standing Commission on Pay Comparability offered the possibility of agreement. In the face of a wave of public sector disputes the government had wanted to encourage negotiators to consider comparability exercises throughout the public services in general. The Standing Commission was, therefore, established to examine the terms and conditions of employment of workers in the public services and to report on the possibility of establishing acceptable bases of comparison, including comparison with terms and conditions for comparable work and of maintaining appropriate internal relativities. Primarily the investigations of the Commission were to be directed towards assessing the appropriate form of comparison with terms and conditions in other sectors of the economy, identifying relevant comparators, making suggestions on how comparisons should be carried out and indicating how comparisons should be made available to relevant negotiators. (188)

As part of the Municipal Airports Panel pay settlement of January 1979 it was agreed that a reference be made to the Standing Commission on Pay Comparability. The reference covered 1,550 manual workers at

municipal airports and included about 750 airport hands, 400 duty crew/firemen and 400 security guards. (189) In submissions to the Commission, the employers registered their concern that if basic rates were adjusted in line with comparators, in some cases shift payments and overtime earnings could bring total earnings to a higher level than that which obtained in both British Airways and the BAA. In principle, they were also conscious of a need to ensure that if basic rates were adjusted the work obtained for that should be no less than that obtained for the basic rate in organisations with which comparisons were made. In essence, it was argued that greater flexibility should be achieved by the removal of a number of restrictive practices which existed at municipal airports. (190)

As a basis for their investigations, the Standing Commission initially assessed the work of the Municipal Airports Panel Working Party. The Commission maintained that the proposals for comparison as devised by this body could not be endorsed as they stood. With the exception of security guards, the jobs had been compared with standard job descriptions obtained from BA and the BAA rather than a study of actual jobs on the ground. Although the Panel had reached general agreement on the introduction of British Airways structures, no precise job descriptions had been agreed, therefore, it was not known to which grade each employee would eventually be associated. The Commission accordingly asked the Pay Research Unit to undertake a fresh comparability study. As far as the Unit's established comparisons are concerned they agreed with the Municipal Airports Panel that the duties of regular full time firemen were broadly comparable to those of firemen at BAA airports. However, because of the wide range of duties of airport hands which were all covered by one grade in local authority airports no direct comparison could be made with the five grades pertaining in British Airways and the six grades applying at BAA airports. The only yardstick for comparison was where duties involved the use of specialist equipment for the handling of wide-bodied jets. The Unit concluded that in this case, valid comparison could be made with the higher grades - four and five - operating at British Airways. Similarly where the duties of municipal airport security guards included searching passengers and baggage a valid comparison could be made with BAA security guards (paid as Grade Three operatives). The Pay Research Unit, at the request of the Commission, also considered

the possibility of establishing comparators outside the industry and these investigations confirmed the specialist nature of airport operations. It was concluded that fire fighting and rescue services had no direct parallel outside the airport industry and the comparison of airport security services with outside services was a doubtful proposition whilst no comparator outside the air transport sector included the full range of duties undertaken by airport hands at municipal airports. (191)

Clearly, the work of the Pay Research Unit firmly established the boundaries of comparison for basic rates of pay. On this basis, the Clegg Commission made specific recommendations for change. In principle, the appropriate basic pay scale for firemen was deemed to be that of BAA firemen, the scale being adjusted to allow for the difference in the normal working week. For airport hands BA grades one to five were recommended as appropriate according to the nature of particular jobs at different municipal airports. Security guards were to be equated with BA grade two where search duties were not involved and BAA grade three, including search duties. The position of duty crew was more complex since their duties were partly those of airport hand they had no equivalent in either BA or BAA. However, the situation was resolved by all parties agreeing that a rate midway between the rates for those two jobs would be appropriate. (192)

In this way, comparability of basic rates of pay could be achieved between municipal airports, BAA airports and British Airways. However, the problem of shift payments continued to cause difficulties in achieving comparability of total earnings. The Clegg Commission had noted that average earnings from shift pay in municipal airports were rather lower than for operative staff in BA and substantially lower than for firemen in the BAA. The method of calculating shift pay at municipal airports continued to differ from other employers. In addition to specific payments for working alternating or rotating shifts, supplements for Saturday and Sunday working were paid on the basis of basic rates, therefore, any increase in basic rates would automatically increase shift earnings. (193)

The commission addressed the problem and suggested five alternative means to ensure that total earnings did not exceed those of comparators but each method involved problems of implementation. Firstly, it was suggested that the basic rate for BA/BAA comparators could be reduced

to take account of differences in shift earnings, but this would have been disadvantageous to the small number of Municipal Airport Panel employees who did not work shifts. Secondly, a rate of pay which was lower than the basic could be adopted for the calculation of weekend enhancements but apart from being administratively complex, this option was seen to imply the possibility that anomalies would arise with staff being paid different rates for working the same shift. The third possibility of reducing existing local authority premium rates for Saturday and Sunday working to say time plus one third and two thirds respectively was likely to meet with stalwart opposition from the Unions. The suggestion that the Panel should change from local authority shift/weekend payments to BA/BAA payments was seen to involve the Municipal Airports Panel losing substantial control over the negotiation process. The final option of preparing a completely new method of making shift payments which would result in comparability of "take home" pay did allow the employers to retain control over the nature of shift payments for Municipal Panel employees. However, there was also the possibility that the hundreds of thousands of manual workers for whom the NJC for Local Authorities' Services (Manual Workers) negotiated shift allowances would be affected. (194)

In essence, the recommendations of the Clegg Commission failed to provide the long term solution to the long standing problem of the effect of different ownership structures on the negotiation of pay and conditions of employment for groups of employees who carried out similar jobs for different employers at UK airports. In the short term, the Clegg award had the effect of increasing gross earnings to a level exceeding that of workers in other parts of the air transport sector. For example, the effect on the pay of an airport hand grade one at maximum rates applying on 1 January 1979 may be illustrated as shown in Table 7.3.

The underlying problem in pay negotiation remained fundamentally the same as more than a decade earlier when the NBPI had suggested that airport authorities and Trade Unions should set up separate negotiating machinery to cover all airport staff. In response to this suggestion, the BAA had maintained that its own negotiating machinery enabled it to determine pay and conditions with primary reference to its own circumstances. It was also argued that as a single management the BAA could negotiate flexibly and very quickly if necessary, advantages

which would be lost if negotiations were undertaken collectively with other authorities. As far as the Trade Unions representing BAA staffs were concerned the TGWU and other manual worker unions which regarded civil aviation as a unified industry, were prepared to accept a single unified negotiating machinery, so long as the levels of pay at airports kept in line with the airlines. However, the non-manual trade Unions which had their origins in the Civil Service vehemently opposed the idea of pay of their members being remotely linked to local authority non-manual workers. For the local authorities, the unified negotiating machinery was rejected for fear of the impact it could have on other local authority workers. (195)

In essence then, prior to the nationalisation of the civil air transport industry, the determination of pay and conditions of service at British airports proceeded along the lines of the principles governing each sector of ownership. However, nationalisation and the formation of the NJCCAT had a long term influence on bargaining arrangements both at nationalised and local authority owned airports in the post-war period. The following chapter highlights the significance of the formation of the NJCCAT for the development of bargaining arrangements at Manchester Airport. At Ministry airports steps were taken to equate pay and conditions for manual workers with those determined by the NJCCAT and this principle of relating pay to that of the highest paid workers in the industry employed by the State Corporations continued despite the institution of new negotiating arrangements with the formation of the BAA. At the same time, the trend at local authority airports has been towards increasing integration with negotiating arrangements within the Local Government Service as a whole. The consequent divergence in rates of pay was exacerbated during the period of incomes policy when local authorities interpreted guidelines in the strictest sense. Essentially, arrangements for collective bargaining within the civil air transport industry remained anomalous in particular respect to groundstaff where arrangements have been differentiated by ownership structures. In the following chapter evidence suggests that this factor has been of overriding significance in determining the course of industrial relations at Manchester Airport.

7.4 CONCLUSIONS

Local authority employment involves a number of characteristics which have traditionally and fundamentally differentiated it from any other type of employment. The most significant influences have been the nature of external financial pressures, the extent of white-collar unionism and the distinction made between officer and servant. These influences have permeated the development of collective bargaining for local authority airport workers who have tended to be regarded as an integral part of the Local Government Service indistinct from any other group of local authority workers rather than constituents of the civil air transport labour market.

For Local Government staffs, the system of nationally negotiated conditions with local variation regarding grading gave stability to industrial relations. This stability was unsettled by the strict interpretation of Prices and Incomes Policy in the 1960s and 1970s. Calls for greater devolution of power to the local level under the impact of incomes policy were more marked in the manual field where less flexibility in local variation tended to be the norm and the relatively low pay which resulted from industry-wide agreements was exacerbated firstly by the institution of incomes policy and then by the inability of local authorities as employers to fully embrace the concept of productivity bargaining.

Within the civil air transport industry, the formation of the NJCCAT in fulfilment of statutory obligations was fundamental not only to the course of industrial relations in the airways corporations for which and by whom it had been devised, but it increasingly influenced trends in other firms in the industry. The need to provide a stable framework for industrial relations in the airlines, which was a fundamental objective in the government's nationalisation plans of 1945, dictated that the NJCCAT would become a pace-setter for pay and conditions. Once the NJCCAT had been formed, the major consideration in the course of industrial relations at UK airports became their relative position in relation to terms and conditions set by this body rather than any internal considerations.

Whilst at Ministry and later BAA airports where the influence of Civil Service structures meant that the principle of comparability with outside occupations had been traditional to the determination of pay and conditions, agreements tended to fall in line with the NJCCAT, at

local authority airports a process of increasing integration with other local authority workers engendered a tendency towards relatively low pay. Similarly, among the BAA group of airports, the existence of the huge airport at Heathrow influenced pay structures at other airports within the group which were much operated at a much smaller scale. This influence did not permeate the local authority airports to the same extent.

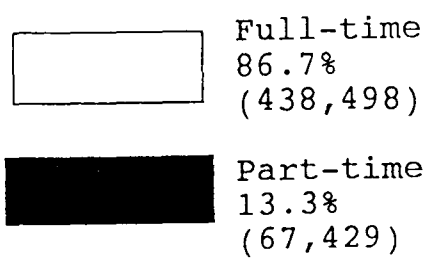
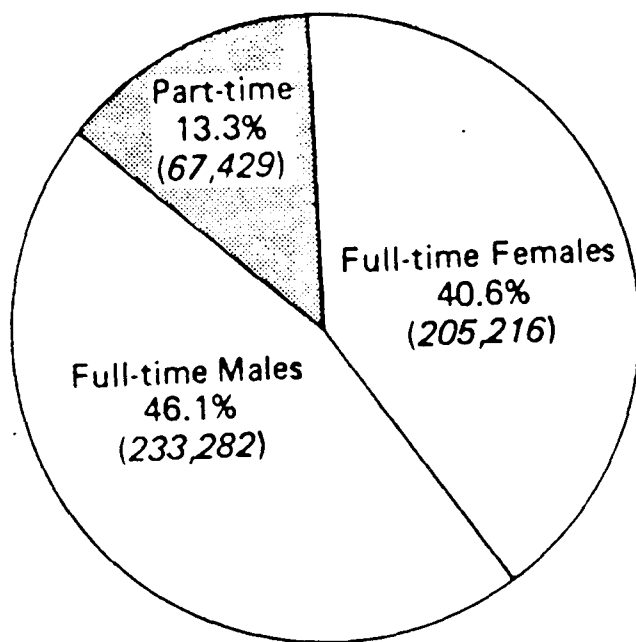
With the institution of incomes policy, the nationalised airlines and airports interpreted constraints in a liberal fashion and used the "loop hole" of productivity agreements to increase rates of pay and avoid industrial unrest. Local authority employers, however, facing different financial pressures interpreted incomes policy in the strictest terms.

The fragmented negotiating structures arising out of different ownership structures and the inability to arrive at a satisfactory definition of the civil air transport industry which recognises the inextricable link between airports and airlines has resulted in different levels of pay and different conditions of employment in broadly comparable activities which do not alone reflect differing levels of productivity.

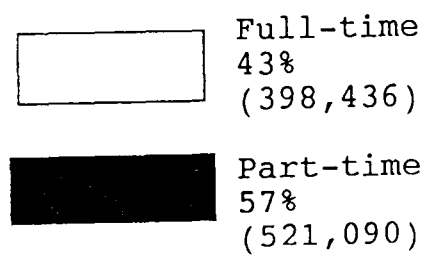
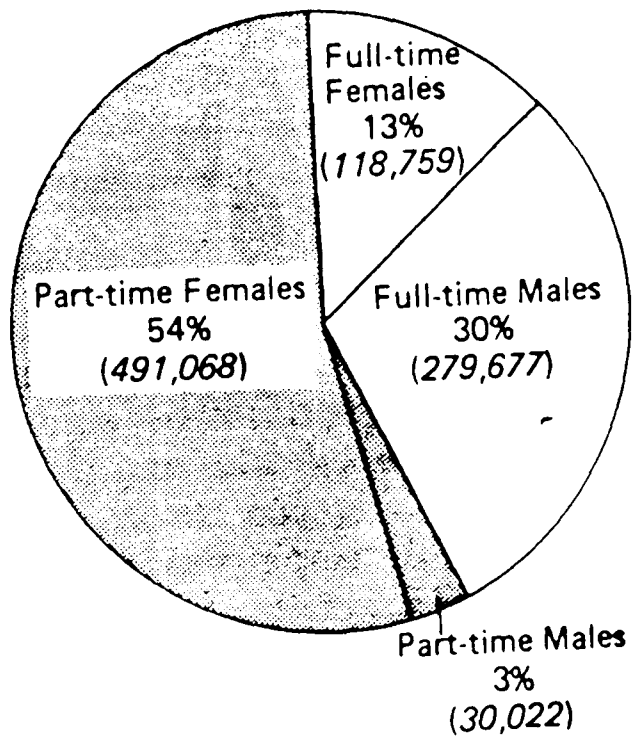
Whilst it may have been more appropriate for airport authorities to negotiate collectively in a single unified structure, the influence of traditional practices within local government, central government and the nationalised industries were all-pervading and detracted from the influence of common interests within the air transport sector which surpassed the fragmentation of ownership structure.

Figure 7.1

NON-MANUAL EMPLOYEES WITHIN
SCOPE OF THE LGTB

Figure 7.2

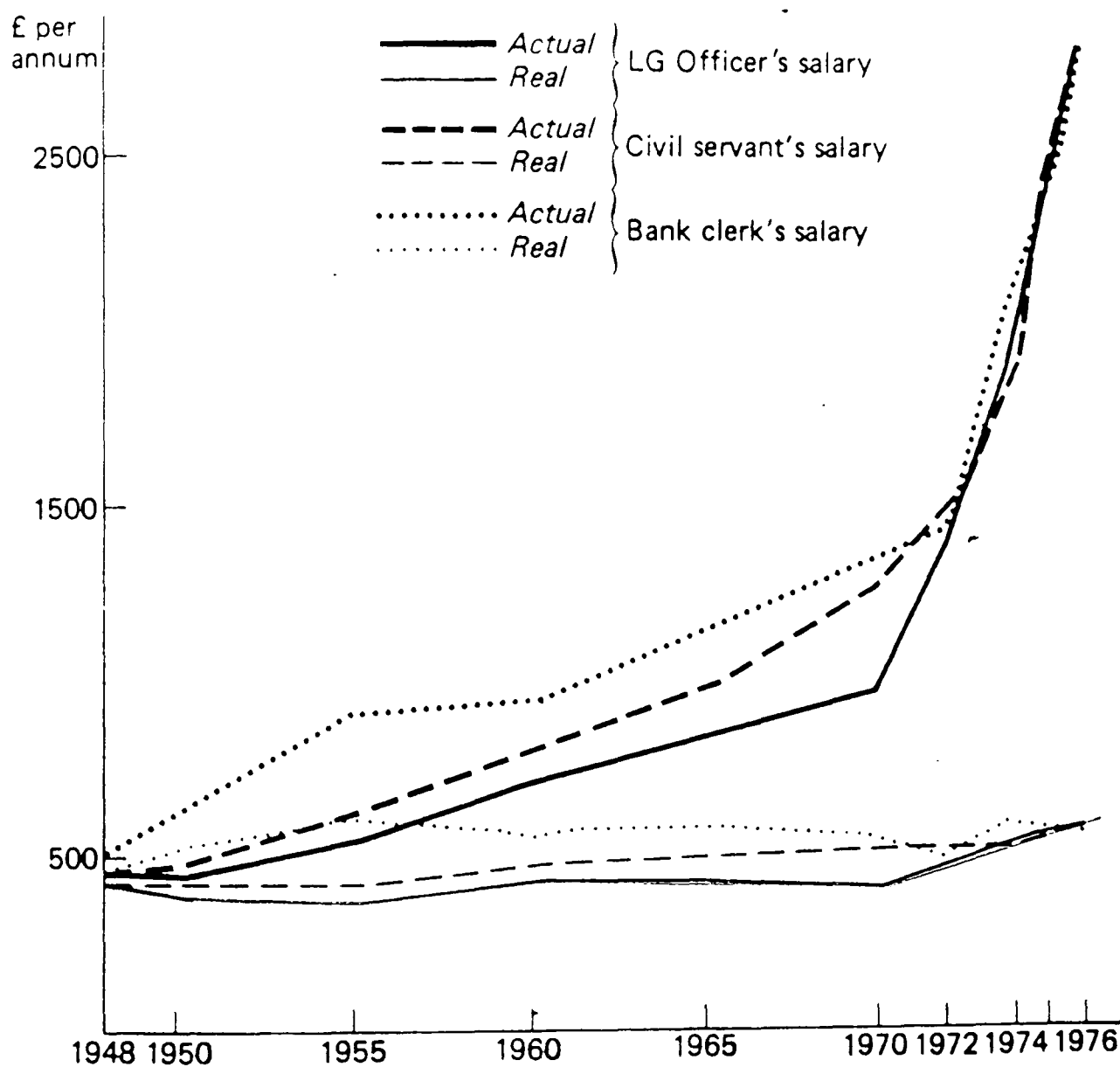
NJC (MANUAL WORKERS) EMPLOYEES
WITHIN SCOPE OF THE LGTB



Source: Derived from Local Government Training Board Report for year ended 31 March 1974

Figure 7.3**THE LOCAL GOVERNMENT SERVICE**

COMPARISON OF SALARIES OF LOCAL GOVERNMENT CLERICAL OFFICERS, CIVIL SERVICE CLERICAL OFFICERS AND CLERKS IN A REPRESENTATIVE BANK IN ACTUAL AND REAL TERMS (Maximum of scale for males in England and Wales)



Sources: Salaries - NALGO Research Department; Cost of Living Index - Annual Abstract of Statistics, CSO

Note: Real Salaries have been calculated by applying the index of Retail Prices (based on 1947 = 100) to actual salaries

Figure 7.4

NUC MACHINERY

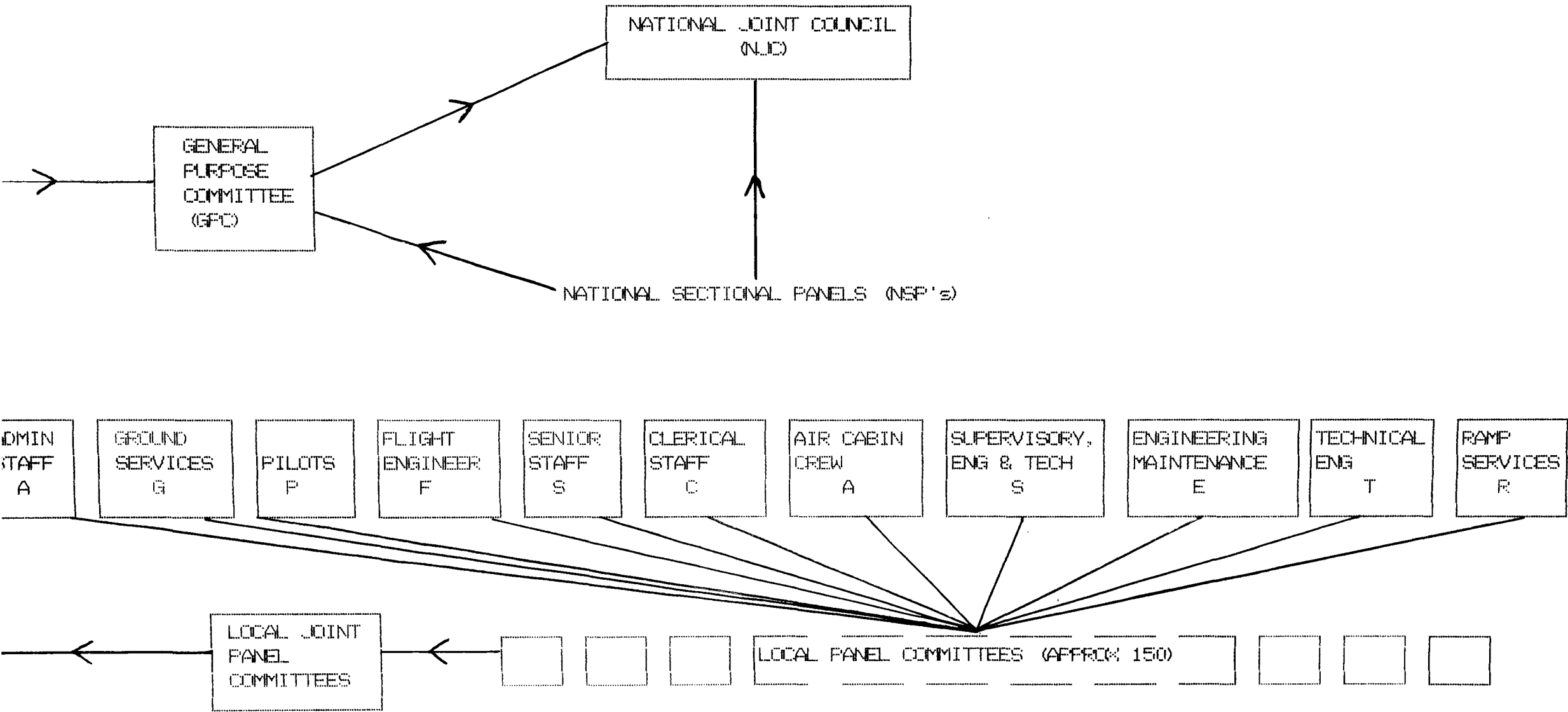
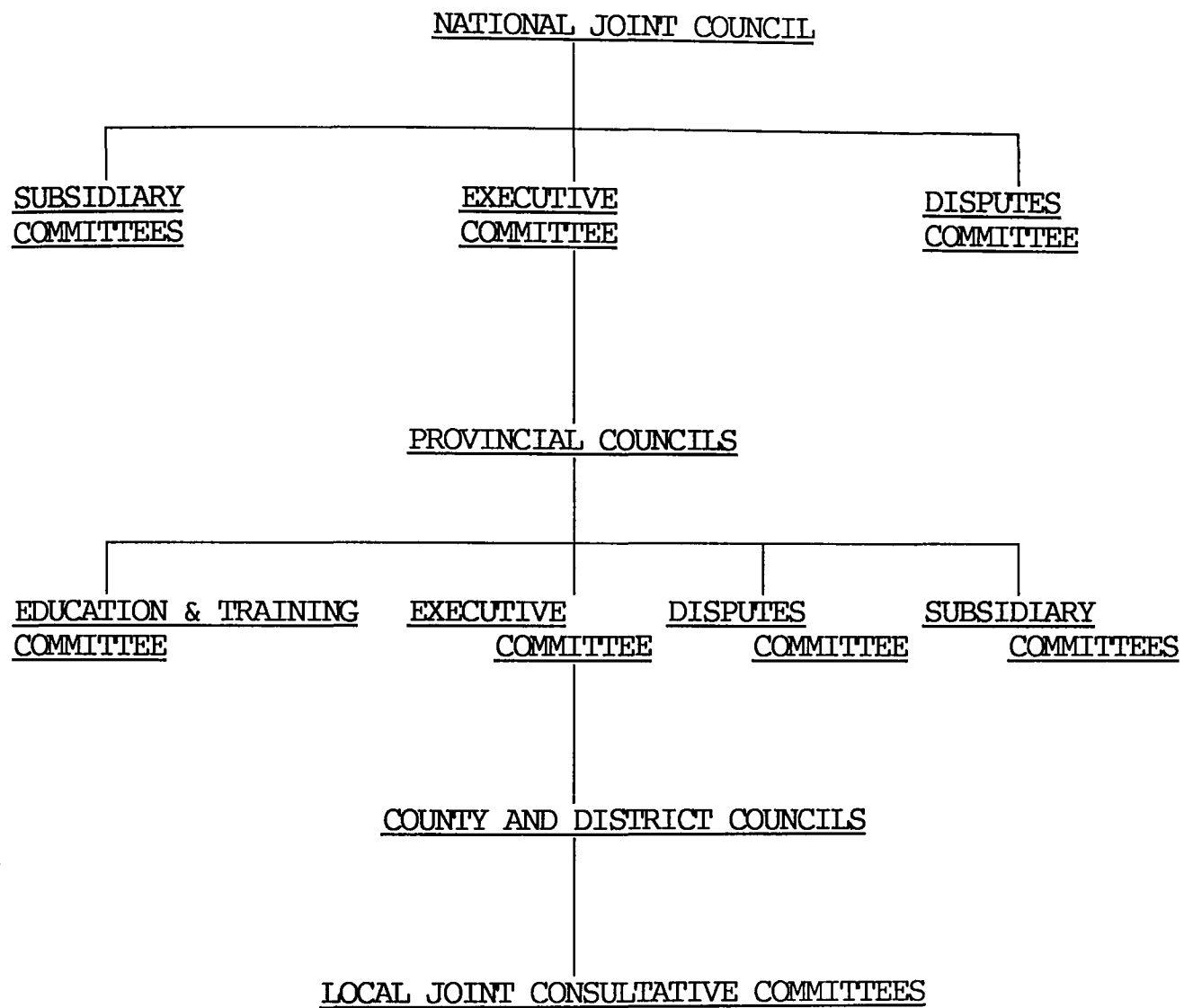
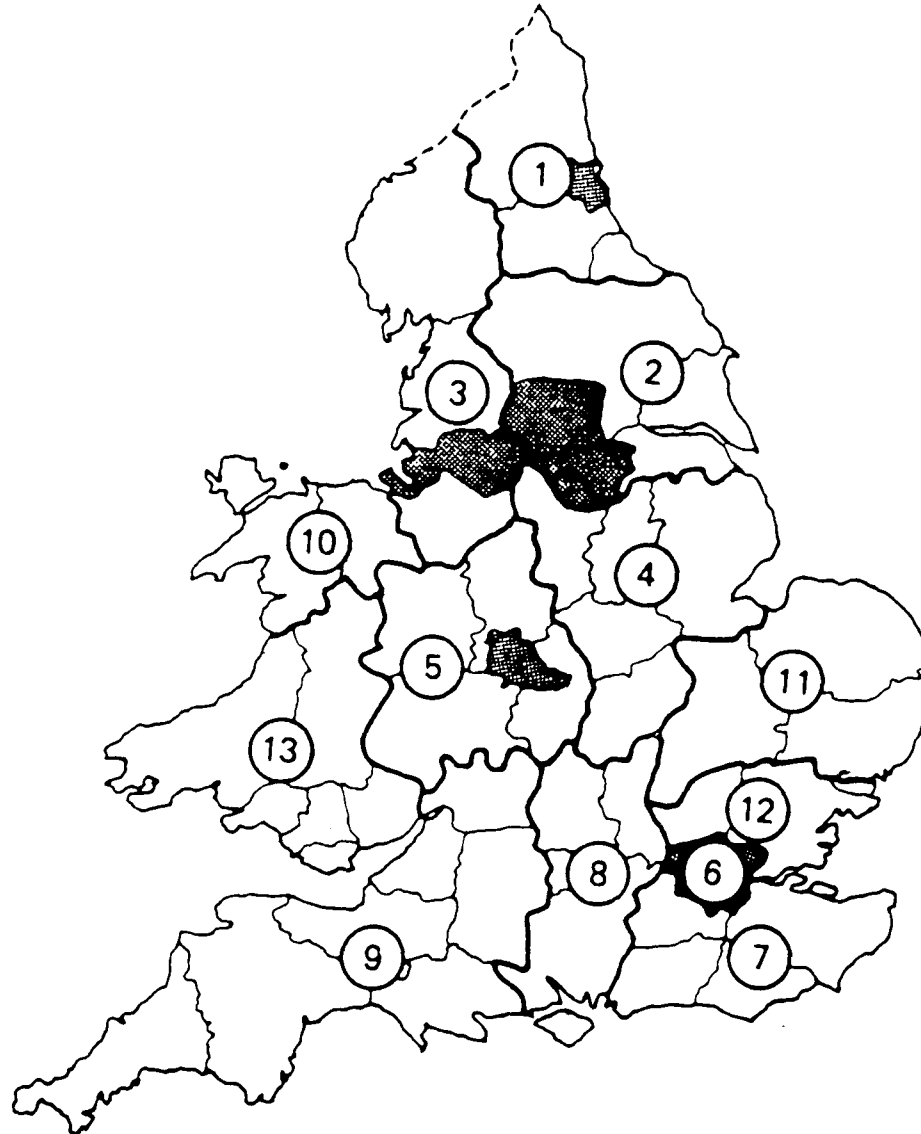


Figure 7.5THE NJC FOR LOCAL AUTHORITIES' SERVICES (MANUAL WORKERS) STRUCTURE

Source: Jubb, Harry, Industrial Relations at Manchester International Airport: A Case Study, Dissertation submitted in part fulfilment of the Mast of Science Degree in Manchester, Department of Business and Administration, University of Salford, December 1977.

Figure 7.6PROVINCIAL COUNCIL AREAS

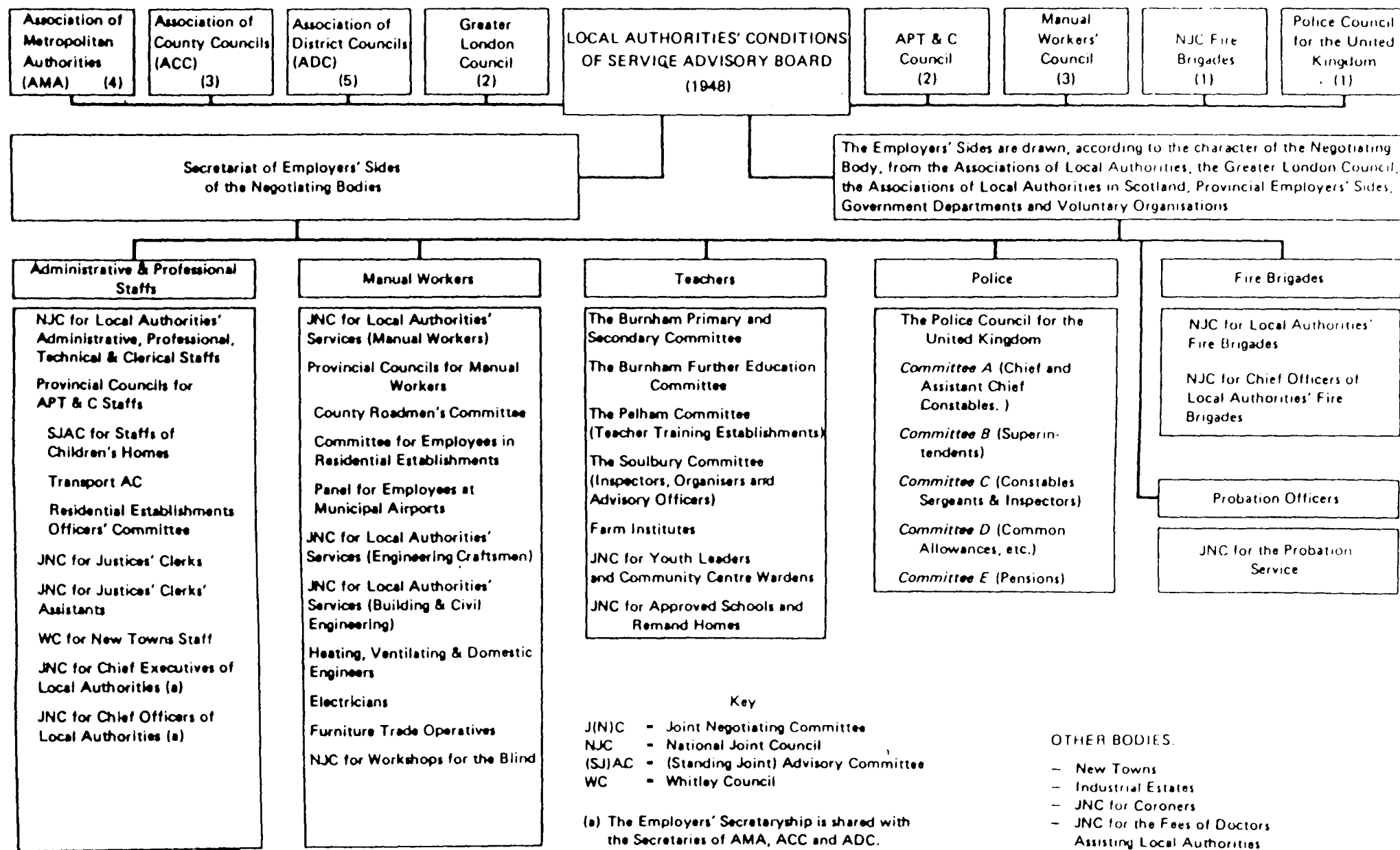
Key:

- | | | | |
|---|--------------------------|----|---------------------------------|
| 1 | North Eastern - APT & C | 7 | South Eastern - APT & C - |
| | Northern - Manual | | Manual |
| 2 | Yorkshire and Humberside | 8 | Southern - APT & C Mid Southern |
| | - APT & C - Manual | | - Manual |
| 3 | North Western - APT & C | 9 | South Western - APT & C South |
| | - Manual | | Western and Western Manual |
| 4 | East Midlands - APT & C | 10 | North Wales - APT & C Manual |
| | - Manual | 11 | Eastern - APT & C - Manual |
| 5 | West Midlands - APT & C | 12 | Essex and Hertfordshire - APT |
| | - Manual | | & C - Manual |
| 6 | Greater London - APT & C | 13 | South Wales - APT & C - Manual |
| | - Manual | | |

Source: LACSAB (Map reproduced by permission of HMSO)

Figure 7.7

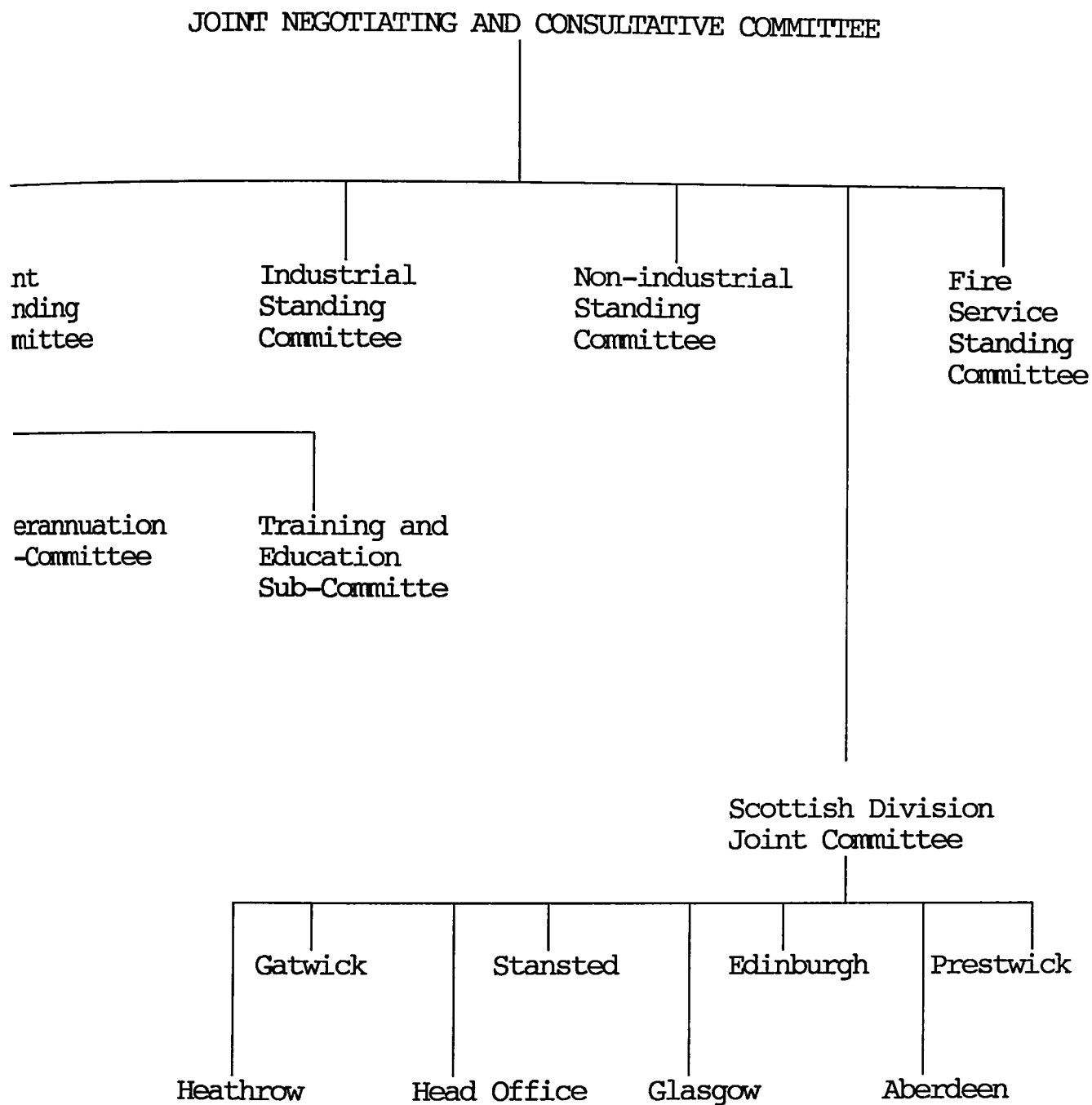
NATIONAL NEGOTIATING BODIES



Source: LACSAB

Figure 7.8

**BRITISH AIRPORTS AUTHORITY – JOINT NEGOTIATING AND CONSULTATIVE
MACHINERY COMMITTEE STRUCTURE**



Source: British Airports Authority, Annual Report and Accounts 1976/77

Table 7.1TOTAL HOURS AND OVERTIME HOURS WORKED BY MANUAL EMPLOYEES AT MUNICIPAL AIRPORTS 1977

<u>Designation</u>	<u>Grade</u>	<u>Total Hours</u>	<u>Overtime Hours</u>
Airport hand	1	53.39	13.39
Duty Crew/Fireman	2	52.73	12.68
Security Guard	3	45.64	5.48
Car Park Attendant/ Labourer	4	49.66	9.66
Semi-skilled Engineer	5	49.48	9.48
Labourer/Cleaner	6	48.03	8.64
Other Grades	7	51.05	11.20

Source: Local Authority Airport Workers, Wages and Conditions Claim, 1977, Presented by Mick Martin, Acting Secretary, Trade Union Side, Local Authority Airports Panel

Table 7.2TOTAL EARNINGS AND OVERTIME EARNINGS OF MANUAL WORKERS AT MUNICIPAL AIRPORTS 1977

<u>Grade</u>	<u>Total Pay</u> (£)	<u>Overtime Pay</u> (£)	<u>% Overtime to Total</u>
1	85.79	22.92	26.72
2	81.96	19.45	23.74
3	69.00	8.48	12.29
4	71.53	13.82	19.32
5	79.67	13.38	16.80
6	64.10	11.76	18.34
7	65.14	15.91	24.43

Source: Local Authority Airport Workers, Wages and Conditions Claim, 1977, Presented by Mick Martin, Acting Secretary, Trade Union Side, Local Authority Airports Panel

Table 7.3**EFFECT OF CLEGG RECOMMENDATIONS ON RATES OF PAY FOR AIRPORT HANDS AT
UK AIRPORTS**

Employer	Basic Pay (£)	Productivity Pay (£)	Shift/ Weekend Pay (£)	Overtime Pay (£)	Gross Pay (£)
BA	67.05	5.06	15.66	5.03	92.80
MAP	67.05	5.03	20.76	5.08	97.92

Source: MIAA Staffing Sub-Committee, Minutes, 14 July 1980

APPENDIX 7.1NATIONAL JOINT COUNCIL FOR LOCAL AUTHORITIES' ADMINISTRATIVE,
TECHNICAL AND CLERICAL SERVICES (JUNE 1920) GRADING CLASSIFICATION

GRADE A: 16 - 20 years old 5 Points Basic salary + Civil
Service & War Bonus

GRADE B: 21 - 27 years old 7 Points Basic salary + Civil
Service & War Bonus

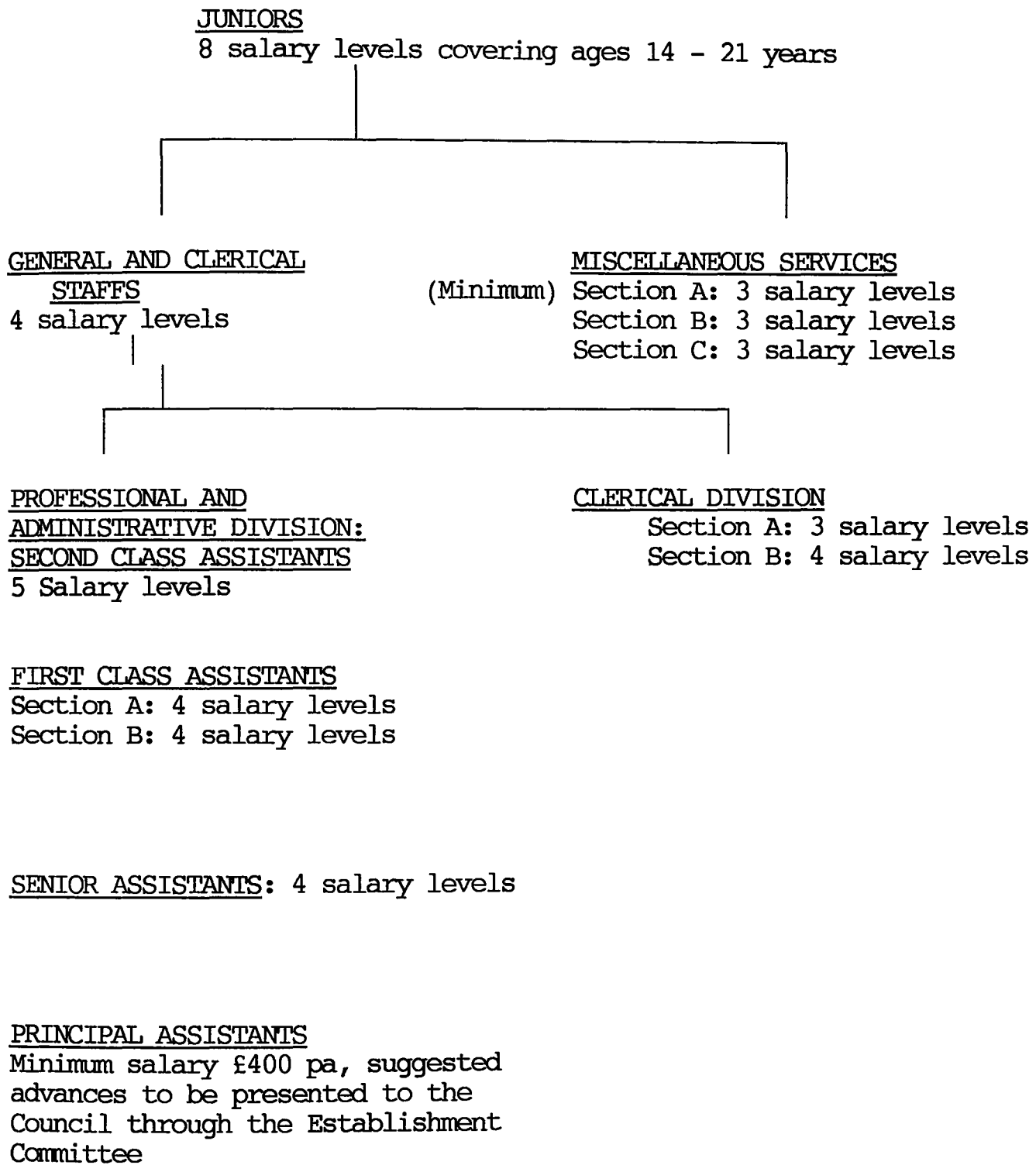
<u>GRADE</u>	<u>COMMENCING SALARY</u>	<u>RISING BY, PER ANNUM</u>	<u>MAXIMUM OF GRADE</u>	
	(£)	(£)	(£)	
C	180	15	240	*
D	260	25	325	

* Basic scale for clerical workers, although salaries in Grades A and B were also adopted as general minimum for all full-time local Government Officers

Source: Manchester Corporation, Special Committee, Officials' Conditions of Services, minutes 3 September 1920.
Correspondence from NJC for Local Authorities' Administrative, Technical and Clerical Services, Hounslow, Middlesex, June 1920.

APPENDIX 7.2CITY OF MANCHESTER SCHEME FOR CLASSIFICATION OF OFFICIALS, OPERATIVE
FROM 1 JANUARY 1923STAFFS COMPRISE:-

- PROFESSIONAL: Officials with legal, medical, scientific, accountancy, secretarial or any other qualification covered by a Professional Chartered Institute.
- TECHNICAL: Civil or Mechanical Engineers, Surveyors, Architects, etc.
- ADMINISTRATIVE: Duties appropriate to this class are those concerned with the formation of policy, improvement of organisation, general administration of instructions of the Council and control of departments; higher work in legal, technical, accountancy and other departments; also subordinate officers engaged on professional or technical work of a minor nature.
- CLERICAL: This division will include officials engaged in duties dealing with particular matters in accordance with well defined instructions and regulations.

APPENDIX 7.2 ContinuedGRADING SCHEME

Source: City of Manchester, Classification of Officials (Conditions of Service) Special Committee, 29 June 1922, approved by City Council 5 July 1922.

APPENDIX 7.3ENGINEERING CRAFTSMEN AFFECTED BY THE FORMATION OF THE JNC FOR LOCAL
AUTHORITIES' SERVICES (ENGINEERING CRAFTSMEN AGREEMENT 1.3.52)

TRADE AND RATE FOR 44 HOUR WEEK OCCUPATION

- | | | |
|-------|-----------------------------------|--|
| (i) | Engineering £7.0.6 | Blacksmith, fitter (engineering),
fitter (electrical street lighting),
turner, millwright, motor mechanic,
pattern maker, welder, clock repairer
(street lighting), tinsmith, sheet
metal worker. |
| (ii) | Electrical Contracting
£7.10.4 | Electrician, wireman
(contracting work). |
| (iii) | Vehicle Building £7.6.8 | Blacksmith, coach bodymaker, coach
painter, coach trimmer, wheelwright. |

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- 5 Poole, op cit, p43.

- 6 Fowler, op cit, p41.

- 7 Poole, op cit, pp41-42.

- 8 *ibid*, p22.

- 9 *ibid*.

- 10 Fowler, op cit, p13.

- 11 *ibid*, pp66 and 69.

- 12 *ibid*, p65.

- 13 *ibid*, pp46-47.

- 14 *ibid*, pp47-48, see also Poole, op cit, p137.

- 15 Fowler, op cit, p63.

- 16 Winchester, David, "Industrial Relations in the Public Sector", in Bain, George Sayers, Industrial Relations in Britain, Basil Blackwell, Oxford, 1983.

- 17 For example, Establishment Committee minutes of the Manchester Corporation, dated 8 March 1966, refer to the Committee agreeing to the assignment of additional posts to the Airport Committee but "in the light of Government requests for curtailing expenditure, no appointments should be made." Although in this particular case, following representations from the Airport Committee that their needs were urgent, the Chair and Deputy of the Establishment Committee subsequently agreed the appointments.
- 18 Establishment Committee minutes of the Manchester Corporation of 10 October 1968, confirm the Committee's requirement that employing committees should scrutinise individual submissions. However, evidence suggests that as far as the Airport Committee is concerned, they maintained that all submissions should be viewed against the background of the airport being a successful trading undertaking making substantial contributions to the Rate.
- 19 Poole, op cit, p122, see also Walsh, K, Centralisation and De-centralisation in Local Government Bargaining in Industrial Relations Journal 12, No5, 1981.
- 20 Fowler, op cit, pp40 and 64.
- 21 ibid, pp58-60.
- 22 Richardson, J Henry, An Introduction to the Study of Industrial Relations, Allen and Unwin, 1954, pp 171-2 and 192.
- 23 Clegg, HA, The System of Industrial Relations in Britain, Basil Blackwell, Oxford, 1972, pp44-45.
- 24 Poole, op cit, pp18 and 197. From 1946, NALGO offered membership to the NHS, the newly nationalised gas and electricity industries, the "company" water services and transport undertakings, which had previously been municipal responsibilities. To signify the change, the Union changed its name from National Association of Local Government Officers to National and Local Government Officers in 1952.
- 25 Bain, op cit, p159.
- 26 Clegg, op cit, p57.
- 27 McIntosh, op cit.

- 28 Manchester Corporation, Officials (Conditions of Service) Committee, 17 November 1911, extract of proceedings of the Council, 9 November 1911.
- 29 Manchester Corporation, Recommendations of an Interim Report of the Special Committee Officials (Conditions of Service) made to the Council, 24 April 1907.
- 30 The extent of conformity was noted in the Report mentioned above.
- 31 McIntosh, op cit.
- 32 Royal Commission on Trade Unions and Employers' Associations 1965-1968, the Donovan Commission, Cmnd 3623, HMSO, London, 1968, para 48.
- 33 McIntosh, op cit.
- 34 Royal Commission on Trade Unions and Employers' Associations, Cmnd 3623, op cit, para 51.
- 35 *ibid.*
- 36 *ibid*, paras 143-148.
- 37 McIntosh, op cit.
- 38 Manchester Corporation, Officials (Conditions of Service) Special Committee Minutes, 3 September 1920, NJC for Local Authorities; Administrative, Technical and Clerical Services.
- 39 McIntosh, op cit.
- 40 Walsh, op cit.
- 41 City of Manchester, Classification of Officials Report to the Council of Officials (Conditions of Service) Special Committee, 29 June 1922.
- 42 *ibid.*

- 43 City of Manchester, Establishment Committee, 25 June 1923, Classification of Officials, Appendix A, Scheme of Classification of Officials.
- 44 City of Manchester, Establishment Committee, 25 February 1924, Classification of Officials, Local Joint Committee report.
- 45 Fowler, op cit, pp41 and 99-100.
- 46 Poole, op cit, p69.
- 47 ibid, pp102 and 104.
- 48 McIntosh, op cit.
- 49 Poole, op cit, p69.
- 50 Walsh, op cit.
- 51 McIntosh, op cit.
- 52 Fowler, op cit, pp31-32, see also Poole, op cit, p90.
- 53 Evidence from Manchester Corporation, Establishment Committee minutes of 23 March 1948, suggests that difficulties arose from applying the Scheme to airport staffs in this respect. The National Scheme provided for a 38 hour week and officers whose duties involved regular evening attendance in connection with Council meetings and committees were to be compensated by "leave of absence" at the convenience of the employing department. At Ringway Airport, in one sense staff warranted treatment in line with the many officers in other Corporation departments who were customarily required to work more than 38 hours per week, but given the peculiar operating conditions and the fact that the dedicated body of administrators was small in relation to other Departments, the taking of leave to compensate was difficult to achieve and overtime payments would have been a more workable arrangement.
- 54 The National Joint Council for Local Authorities' Administrative, Professional, Technical and Clerical Services, Scheme of Conditions of Service, pl.
- 55 ibid, passim.

- 56 Poole, op cit, p106.
- 57 Fowler, op cit, pp69 and 130.
- 58 Poole, op cit, p54.
- 59 Kahn, HR, Salaries in the Public Services in England and Wales, Allen and Unwin, 1962, p279.
- 60 Poole, op cit, pp69 and 104.
- 61 The National Joint Council for Local Authorities' Administrative, Professional, Technical and Clerical Services, Scheme of Conditions of Service, para 29.
- 62 Fowler, op cit, p131.
- 63 The National Joint Council for Local Authorities' Administrative, Professional, Technical and Clerical Services, Scheme of Conditions of Service, para 80 (d).
- 64 Balfour, Campbell, Incomes Policy and the Public Sector, Routledge and Kegan Paul, London, 1972, pp144 and 141.
- 65 Spoor, A, White Collar Union: 60 Years of NALGO, Heinemann, London, 1967, p298.
- 66 Balfour, op cit, pp139-140.
- 67 Thomson, AWJ, and Beaumont, P, Public Sector Bargaining: A Study in Relative Gain, Saxon House, 1978, p98.
- 68 Anderson, WC, in Public Administration, Autumn 1967.
- 69 Balfour, op cit, p155.
- 70 *ibid*, pp144-145.
- 71 *ibid*.

- 72 *ibid*, p156.
- 73 Fowler, *op cit*, pp76-77.
- 74 Poole, *op cit*, pp40-41.
- 75 Walsh, *op cit*. The Chancellor of the Exchequer had set up a Consultative Council on Local Government Finance in 1975, the primary role of which was to negotiate the Rate Support Grant Settlement.
- 76 *ibid*.
- 77 McIntosh, *op cit*.
- 78 Clegg, *op cit*, p386, see also McIntosh.
- 79 McIntosh, *op cit*.
- 80 Clegg, HA, General Union, p176.
- 81 McIntosh, *op cit*.
- 82 In 1937, the Establishment Committee of the Manchester Corporation considered a recommendation from the Public Health Committee regarding the adoption throughout the manual services of the Corporation of proposals to promote uniformity of treatment regarding sick pay. The Committee however, found in favour of individual treatment.
- 83 See Manchester Corporation, Workmens' Special Committee minutes and Establishment Committee minutes, 17 November 1924.
- 84 The Manchester Corporation, Workmens' Special Committee minutes of 25 April 1932, refer to the Labour Officer making enquiries with 113 firms regarding the prevailing wages of transport workers.
- 85 Manchester Corporation, Establishment Committee, 11 March 1952, Town Clerk's Report, Joint Negotiating Committee for Local Authorities' Services (Engineering Craftsmen) - Agreement.

- 86 Jubb, Harry, Industrial Relations at Manchester International Airport: A Case Study, Dissertation submitted in part fulfillment of the Master of Science Degree in Management, Department of Business and Administration, University of Salford, December, 1977. See also North Western Provincial Council for Local Authorities' Services (Manual Workers) Handbook, 1975; National Agreement, Section 1, pl.
- 87 Fowler, op cit, pl24.
- 88 ibid, pp125-126 and 290.
- 89 Royal Commission on Trade Unions and Employers' Associations, Cmnd 3623, op cit, paras 57 and 311.
- 90 National Board for Prices and Incomes, The Pay and Conditions of Manual Workers in Local Authorities, the National Health Service, Gas and Water Supply, Report No 29, Cmnd 3230, HMSO, London, March 1967.
- 91 Balfour, op cit, pl40.
- 92 ibid, pp147-148.
- 93 Fowler, op cit, p92.
- 94 Balfour, op cit, pl53.
- 95 Royal Commission on Trade Unions and Employers' Associations, Cmnd 3623, op cit, para 210.
- 96 Fowler, op cit, p71.
- 97 National Board for Prices and Incomes, Productivity Agreements, Report No 36, Cmnd 3311, HMSO, London, June 1967.
- 98 Balfour, op cit, pp146 and 154.
- 99 ibid, pp146, 152 and 158.
- 100 Fowler, op cit, pl48.

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- 102 *ibid*, p80.
- 103 *ibid*, p102.
- 104 *ibid*, pp102-103.
- 105 *ibid*, pp103-104.
- 106 Chester, Sir Norman, *The nationalisation of British Industry, 1945-51*, HMSO, London, 1975, p789.
- 107 Manchester Corporation, Town Clerk's Report to a special meeting of the Airport Committee, 26 February 1958, *Wages and Working Conditions of Manual Employees at the Airport*.
- 108 Clegg, *op cit*, p378.
- 109 *ibid*, see also the Tomlin Committee, Royal Commission on the Civil Service, Cmnd 3909, 1931, p85.
- 110 Armstrong, EGA, "The Role of the State", in Barratt, B, Rhodes, E, and Beishan, J, assisted by Midgeley, G. Industrial Relations in the Wider Society, Aspects of Interaction, Collier MacMillan in association with the Open University Press, London, 1975.
- 111 Royal Commission on the Civil Service, 1953-55 (Priestley Committee), Cmnd 9613, HMSO, London, 1955, pp25, 27 and 194.
- 112 Royal Commission on Trade Unions and Employers' Associations, 1965-68 (Donathon Commission), Cmnd 3623, HMSO, London, 1968, paras 135/6 and Clegg, *op cit*, p380.
- 113 Balfour, *op cit*, p228.
- 114 Clegg, *op cit*, p382.
- 115 Royal Commission on Trade Unions and Employers' Associations, *op cit*, paras 92/3.

- 116 Clegg, op cit, p383, see also National Board for Prices and Incomes, the Pay of Industrial Civil Servants, Report No 18, Cmnd 3034, HMSO, 1966, p4.
- 117 National Board for Prices and Incomes, Report No 18, op cit, p12.
- 118 Richardson, op cit, p380.
- 119 *ibid*, pp380-381.
- 120 *ibid*, p382.
- 121 Armstrong, EGA, in Barratt, et al, op cit.
- 122 Clegg, op cit, p386.
- 123 Balfour, op cit, p197.
- 124 *ibid*.
- 125 British Air Transport in the Seventies, Report of the Edwards Committee, Cmnd 4018, HMSO, London, 1969, para 939.
- 126 Wheatcroft, Stephen, Air Transport Policy, Michael Joseph, London, 1964, p51.
- 127 *ibid*.
- 128 *ibid*, p190.
- 129 Chester, op cit, pp511-512.
- 130 *ibid*.
- 131 *ibid*.
- 132 *ibid*, pp827-828.

- 133 *ibid*, p510.
- 134 *ibid*, p789.
- 135 Associated Engineering Union, 25th National Committee, 21 to 25 June 1943, Report of the Executive Committee.
- 136 Unpublished material, Consultative/Negotiating Machinery in British Airways, H.449/1.
- 137 *ibid*, H.449/1 and Appendix A.
- 138 British Air Transport in the Seventies, *op cit*, para 941 and 942.
- 139 Amalgamated Engineering Union, 29th National Committee, 16-27 June 1947, Executive Committee Report.
- 140 Unpublished material, Consultative/Negotiating Machinery in British Airways, H.449/2.
- 141 *ibid*, H.449/4.
- 142 *ibid*.
- 143 Amalgamated Engineering Union, 30th National Committee, 14-25 June 1948, Executive Committee Report.
- 144 Amalgamated Engineering Union, 37th National Committee, 25 April - 27 May 1955, Executive Committee Report.
- 145 Unpublished material, Consultative/Negotiating Machinery in British Airways, H.449/8.
- 146 Amalgamated Engineering Union, 30th National Committee, 14-25 June 1948, Executive Committee Report.
- 147 Amalgamated Engineering Union, 32nd National Committee, 12 June - 14 July, Report of the Executive Committee.

- 148 The Clerical and Administrative Workers' Union (later known as APEX) has been organising staff of UK and other airports employed in such areas as passenger sections (check-in, etc), ticket desks, aircraft despatch (weight and balance, etc of aircraft), station communications (co-ordinating the movement of passengers, etc), clerks employed in Import/Export Cargo Sections and first line supervisors, since the early 1950s. A survey of reports on Trade Movements and Negotiations submitted to the North West Area Council suggests the kind of issue which may be taken up at the local level, deferred to the national level and in some instances referred back. From time to time, differences regarding overtime working and rostering have been referred to the national machinery particularly if a revision of establishment is likely to be involved. Claims for revision of grading have been referred upwards, sometimes becoming subject to the Grading Appeals Machinery which further extends the process. Consideration of the terms for the introduction of new technology at individual stations often become a topic to be dealt with at national level and may ultimately be referred back, and differences regarding the interpretation of national agreements cannot always be settled at the local level.
- 149 Joint Shop Stewards' Committee, BOAC, London Airport, Blow Yon Jack, We Were Right, London, 1959, p8.
- 150 *ibid*, pp2-3.
- 151 *ibid*, pp10-11.
- 152 *ibid*.
- 153 British Air Transport in the Seventies, Cmnd 4018, *op cit*, paras 963/964.
- 154 *ibid*, para 49.
- 155 Unpublished material, Consultative/Negotiating Machinery in British Airways, H.449/6.
- 156 Oral evidence supplied by Mr H Lord, Convenor for British Airways Staff based at Manchester Airport and falling within the purview of the Engineering and Maintenance Panel.
- 157 5th and 6th AUEW (Engineering Section) National Committees, 21 April - 5 May 1975, and 17 May - 21 May 1976, Reports of the Executive Committee.

- 158 AUEW, Report of the Proceedings of the Recalled 1977 (Engineering Section) National Committee, 14 November 1977, President's address.
- 159 AEU, 30th National Committee, 14 - 25 June 1948, Executive Committee Report.
- 160 Wheatcroft, op cit, p191.
- 161 As far as engineering staffs are concerned for example, an agreement reached with the Air Charter Association in 1949 was accepted by Air Charter Limited, Air Enterprises Limited, Ciro's Aviation Limited, Eagle Aviation Limited, Loxham's Flying Services Limited, Morton's Air Services Limited, Ulster Aviation Limited, Westminster Airways Limited, Airspan Travel Limited, Manning Airways Limited and Solar Air Services Limited. However, a large number of companies could not accept the agreement. In 1951, whilst conformity with the State Corporations was agreed in principle, the charter companies could only meet claims in full in the London area, but not in the provinces. In 1963, the Independent Operators claimed that although they were members of the NJC they did not have to observe agreements reached in it and capitulated only after meeting with the Conciliation Officer of the Ministry of Labour. The records of the Clerical and Administrative Workers Union similarly provide examples of independent operators refusing to increase premium payments in line with the State Corporations.
- 162 British Air Transport in the Seventies, Cmnd 4018, op cit, para 948.
- 163 At a meeting of the Chartered Institute of Transport, held at Manchester Airport on 30 September 1987, Mr J Woolett, Station Manager for "Manchester Handling", elaborated upon the role of the handling agent. Basically, the handling agent discharges a number of services on behalf of the airlines which are its customers. All aircraft movements at an airport are monitored and on the basis of departure and arrival times, information is disseminated to stations down the route regarding late departures, etc. The handling agent also applies to Air Traffic Control for slot-times to accommodate the movements of aircraft handled. In the Local Control Area, the despatch of aircraft involves the handling agent in checking weight and balance, ensuring safe loading within stipulated regulations. The handling agent also discharges passenger services, receiving passengers, easing them through check-in procedures and despatching them to their aeroplane. A ticket desk may also be operated for the various airlines handled. Oral evidence supplied by Mr Bill Charnock of Servisair Limited, confirms that the company is similarly engaged upon these

activities at Manchester Airport, although the company has also assumed other responsibilities including the discharge of water, cleaning aircraft, preparing cargo, working in cargo holds and providing labour for "pushing-back" aircraft. However, at Manchester Airport there is strict demarcation between the handling function of the agent and that of the airport. For example, the loading and unloading of aircraft is carried out by airport staff, whilst Servisair provide aircraft steps, they are operated by airport staff.

- 164 Unpublished submission of Servisair Limited to a Board of Mediation, 4 July 1980.
- 165 *ibid.*
- 166 *ibid.*
- 167 Manchester Corporation, Special Meeting of the Airport Committee, 26 February 1958, Town Clerk's Report to the Committee, Wages and Working Conditions of Manual Employees at Manchester Airport.
- 168 National Board for Prices and Incomes, Pay of Groundstaff at Aerodromes, Report No 128, Cmnd 4182, HMSO, London, 1969, para 10.
- 169 *ibid*, para 20.
- 170 British Airports Authority, Report and Accounts, 1965-1967, HMSO, London, *passim*.
- 171 National Board for Prices and Incomes, Report No 28, *op cit*, paras 20 and 25.
- 172 British Airports Authority, *op cit*, *passim*.
- 173 *ibid*, see also British Airports Authority, Personnel Services memorandum 13/67 Pay and Conditions of Service, Part IV Negotiating and Consultative Procedure.
- 174 *ibid.*
- 175 National Board for Prices and Incomes, Report No 28, *op cit*, para 14.

- 176 British Airports Authority, Personnel Services memorandum 13/67 Pay and Conditions of Service, Industrial Employees, General Conditions.
- 177 *ibid.*
- 178 National Board for Prices and Incomes, Report No 28, *op cit*, paras 26, 27 and 41.
- 179 Correspondence, NJC for Local Authorities' Services (Manual Workers), London SW1, to the Town Clerk, Manchester Town Hall. See also NJC for Local Authorities' Services (Manual Workers) Employees at Municipal Airports, Terms and Conditions of Employment, 1960.
- 180 National Board for Prices and Incomes, Report No 28, *op cit*, paras 17 and 18.
- 181 *ibid*, paras 32 and 35.
- 182 *ibid.*
- 183 Local Authority Airport Workers, Wages and Conditions Claim, 1977, presented by Mick Martin, Acting Secretary, Trade Union Side, Local Authority Airports Panel, *passim*.
- 184 Manchester International Airport Authority, 26 January 1979, Report from the Airport Director and County Personnel Officer, Progress of National Wage Negotiations/Job Restructuring.
- 185 *ibid.*
- 186 Standing Commission on Pay Comparability, Report No 6, Municipal Airports Manual Workers (the Clegg Report), Cmd 7852, HMSO, London, 1980, para 4.
- 187 Manchester International Airport Authority, 26 January 1979, Report of the Airport Director and County Personnel Officer, *op cit*.
- 188 Manchester International Airport Authority, Municipal Airports Panel 1979, Pay Agreement, Report of the Personnel Officer.

- 189 Standing Commission on Pay Comparability, Report No 6, op cit, para 2.
- 190 *ibid*, para 6. See also NJC for Local Authorities' Services (Manual Workers), Municipal Airports Panel. Correspondence Employers' Secretary to Professor Clegg, 1 February 1980.
- 191 Standing Commission on Pay Comparability, Report No 6, op cit, paras 9, 13 and 14.
- 192 *ibid*, paras 35 to 38.
- 193 *ibid*, para 28.
- 194 Manchester International Airport Authority, Joint Consultative Committee (MAP Employees) Standing Commission on Pay Comparabilities, Joint Report of the Airport Director and the Personnel Officer.
- 195 National Board for Prices and Incomes, Report No 28, op cit, paras 58 to 61.

CHAPTER EIGHT

THE PROBLEM OF CO-EXISTENCE AND INDUSTRIAL RELATIONS

8.1 INTRODUCTION

Part II of the thesis examined the institutional framework within which Manchester Airport had grown and developed. The study concentrated on both the local and national levels of policy determination and decision making. It was argued that the process of growth and development - which, as shown in Part I, contrasted with experience at other provincial airports established in the 1930s - owed much to uninterrupted municipal ownership. Local authority decision making processes had allowed the harnessing of local enterprise, initiative and knowledge promoting growth and development through the setting of a local agenda responsive to local needs.

In effect, in avoiding the nationalisation plans of the post-war era, the course of development at Manchester Airport had not been subjected to the same degree of centralised intervention in determining objectives as its counterparts. Neither had the development process suffered to the same degree from competition with airports situated in the capital. In the absence of any centralised national plan for the development of the UK airport network and under the impact of limited capital funds, the development process at other airports had been retarded.

In essence then, Manchester Airport had developed as a hybrid in ownership terms. On the one hand, the process of rapid growth and development meant that in terms of the scale of activity and the complexity of operations, the airport manifested the characteristics of the larger state-owned airports. On the other, in terms of common ownership structures a firmer identity was maintained with other municipal airports which were returned to local authority control in the 1960s.

This dichotomy has had implications for the conduct of industrial relations and the manner in which wages and working conditions of employees at the Airport have been determined. In Chapter Seven it was pointed out that different negotiating structures have applied to airports in different ownership groups, largely as the result of

different perceptions and traditions emanating from the Civil Service, nationalised industries and local government. For example, given the municipal ownership of Manchester Airport, employers would probably be influenced by traditionally held views within the Service which tend towards the promotion of national, service-wide collective bargaining structures irrespective of the particular needs of an airport as an entity. There may be a tendency to regard manual workers in particular as an undifferentiated, cohesive group displaying similar work characteristics and performing broadly similar tasks as other manual workers employed in the Service. Even if the tasks performed at an airport are regarded as specialist in nature, given national collective bargaining arrangements, there may be a reluctance to fully reflect this in practice for fear of repercussions rippling through other local government establishments. Finally, if separate arrangements for the negotiation of wages and working conditions for municipal airport workers are brought into force, the process of integration can be thwarted by differences in scale of activity and different patterns of division of labour.

In Part II, when examining the local institutional framework of growth and development, it was suggested that the process had been accompanied by the distancing of the airport from strict local authority control with greater financial independence and the emergence of semi-autonomous management structures which exercised increasing influence in determining objectives independent of any other local authority priorities. This factor may in turn influence the course of industrial relations with a growing awareness of the need to compete with other airports and the questioning of the ability of local authority negotiating structures to respond to the needs of a commercial trading organisation.

The study of the development of collective bargaining arrangements in local government which formed part of Chapter Seven highlighted the significance of the distinction made between "officer" and "servant" and "professionalism" which had under-pinned the historical development of the national determination of wages and working conditions. Emphasis was also placed on the contrast between negotiating structures applying to manual workers and staff graded posts within the Local Government Service, with local flexibility being the keynote in the negotiation of wages and working conditions for staff, whilst

centralization and uniformity were the fundamental principles applied to manual workers.

Clearly, staff graded posts within such fields of endeavour as administration and accounting may perform tasks at an airport similar to those performed in other branches of the Local Government Service. However, manual workers may perform tasks under conditions which differ from their counterparts elsewhere in having to, for example, provide "round the clock" cover and be organised in such a way as to cope with the daily, weekly and seasonal peaks and troughs inherent in airport operation. In this sense, it is necessary to examine the extent to which Local Government bargaining arrangements, which have traditionally applied across the Service, have been responsive to the special needs of labour organisations at Manchester Airport. In conducting this study, it will be useful to divide the work into two main sections, one dealing with manual workers including specialist groups such as engineering craftsmen and the other examining staff graded posts, although it will be appreciated that there is a significant interface between the two main groups of workers at the supervisory level.

Generally, it is argued that national collective bargaining arrangements under municipal ownership have failed to respond to the needs of the process of growth and development at Manchester Airport as far as manual workers are concerned. Although negotiating structures evolved, ultimately the need for locally based bargaining arrangements was pressed by both Trade Unions and management. In contrast, as far as staff-graded posts are concerned, the flexibility inherent in Local Government arrangements, reflecting the tradition of "professionalism" across the Service, proved to be a positive factor in the course of industrial relations, as emphasis was placed on the continuing need to recruit and retain staff of the highest calibre to achieve the objectives of the employing committee.

8.2 MUNICIPAL COLLECTIVE BARGAINING ARRANGEMENTS AND MANUAL WORKER DISPUTES

The structure of the labour force employed at Manchester's Ringway Airport has tended to differ from that encountered in most other municipal establishments in that there has always been a preponderance of manual workers employed on one site. This feature is reflected in

Tables 8.1 and 8.2 which distinguish between the salary and wage bill of the Airport Committee and the numbers of manual - as opposed to staff - posts which have existed at Manchester Airport in the early post war years. This preponderance of manual workers, in part, reflects the labour intensive nature of the maintenance of airport facilities, but it is also the result of the particular division of functions at Manchester Airport whereby as early as 1949 the Manchester Corporation took over the responsibility from BEA for apron handling, providing both the staff and equipment for the loading and unloading of aircraft, including freight and passengers' baggage. Table 8.3 highlights the predominance of portering staff within the Authority in the 1970s and Table 8.4 highlights the significance of operational functions like portering, maintenance, Fire, Police and Security Services in expenditure on employees. It will be noted from Table 8.4 that expenditure on employees is conditioned by regulation and by the division of functions. For example, under the Protection of Aircraft Act, 1973, and the Policing of Airports Act, 1974, airport management assumed responsibility for maintaining security to Government standards and, as a result, in 1976 a new Security Section was established comprising 215 employees on manual grades. (1) The direct employment of car park attendants from 1966 reflected the transfer of this function from concessionaire to airport management, whilst the curtailment of expenditure on Police was the result of central government funding this expenditure at UK airports from the late 1970s.

Prior to 1948, the wages and working conditions of non-craft manual workers at Manchester's Ringway and Barton Airports were determined by the Manchester Corporation in the absence of any appropriate Joint Industrial Council governing airport staffs. (2) In principle, the Corporation related the wages and working conditions of its manual employees at airports to those prescribed by the North Western Whitley Council for Manual Workers employed in the non-trading services of local authorities. However, in 1948, a major consideration became the possible future transfer of the Ringway Airport to Ministry of Civil Aviation control. The wages and working conditions of manual workers under Ministry control were regulated by - amongst others - the Miscellaneous Trades Joint Council for Government Industrial Establishments. Given the possibility of Ministry take over it was deemed appropriate from 8 November 1948, to fall into line with

Ministry practice. The application of wages and working conditions similar to those prevailing at Ministry airports was adopted as a measure to facilitate the transfer of Corporation employees. However, such a move was also commended to the Corporation because the wages and working conditions prescribed by the Miscellaneous Trades Joint Council were broadly in line with similar grades for Corporation employees and it was advantageous to follow jointly negotiated rates for airport employees. (3)

For the Trade Unions involved the recommendation was acceptable so long as the rates of pay existing at Manchester's airports were not to be reduced where the new scheduled rate to apply was lower and provided that any difficulties in classifying employees within the listed categories of duties were to be decided by mutual agreement. The rates of pay to be applied to different designations at Manchester's airports from 8 November 1948 are illustrated in Appendices 8.1 and 8.2. The overall effect of the application of these new rates was to increase the pay of two Chargehand Firemen by 2s 8d and 3s 2d per week respectively, the pay of 12 firemen was increased by 5s 8d per week and that of 15 airport hands increased by 4s 3d per week representing an estimated addition of £300 per annum to a total wage bill for airport maintenance which stood at some £20,000 per annum in 1948/9. (4)

Although the Manchester Corporation retained control of Ringway Airport in 1953, the application of rates of pay and conditions of employment based on recommendations of the Miscellaneous Trades Joint Council was continued as an arrangement which had worked satisfactorily. However, a difference emerged between the Transport and General Workers' Union representing porters, marshallers, chargehands and firemen at Manchester Airport. The difference arose out of the action of the Ministry of Transport and Civil Aviation (under pressure from the Transport and General Workers' Union and the National Union of General and Municipal Workers) which brought the wages and conditions of employment of manual workers at the larger airports under their control, into line with those adopted by the National Joint Council for Civil Air Transport from 1 October 1957. As previously stated, this body had within its purview employees in establishments of BOAC and BEA and other undertakings constituted for the purpose of providing air transport services or of carrying out other forms of aerial work.

In December 1957, the Transport and General Workers' Union argued that the Manchester Corporation should follow Ministry action on the grounds that this had been the recently accepted practice. However, a major concern of the Corporation was that there was no local government representation on this Council and it did not govern the wages of employees in local government who were not involved in the provision of air transport services. Certain conditions in the Civil Air Transport Agreement were at variance with local government practice the most significant being provisions for shift working. It was feared that if payments for shift work, in particular, were adopted this might have serious repercussions in other Corporation departments. It was also argued that the agreement in 1948 to base the wages and working conditions of airport manual workers on agreements made by the Miscellaneous Trades Joint Council had been strongly influenced by the expectation of the Ministry assuming control. In essence, the Ministry decision to follow agreements made by the NJCCAT was regarded as a fundamental change of policy which -if adopted by the Corporation- would introduce the requirement to keep pace with industrial and profit earning organisations - a principle which ran contrary to the Corporation's general policy of keeping in line with wage movements in local government. (5)

On examination of the Union's claim, it was found that the revised rates adopted by the Ministry of Transport and Civil Aviation provided for considerable increases over the rates paid by the Corporation. Whereas during the previous nine years the level of remuneration adopted by the Miscellaneous Trades Joint Council had continued to keep reasonably in balance with local government, if the Union claim were acceded to the increased cost in respect of manual workers would have been £18,720 per annum representing a 21% increase on employee costs involved in the provision of portering and fire services, which in itself represented about 60% of total expenditure on employees in 1957/8. If the burden of increased costs was not to fall on the rate, baggage and freight handling charges would have needed to be increased and even after a 27% increase in these charges, the Corporation would still have had to find a balance of about £2,000 per annum. In addition to the general concern about departing from accepted local government practice, these financial considerations were also significant in reinforcing the employers' reluctance to adopt Ministry

standards. (6)

In view of the Corporation's continued control of Manchester Airport and the Trade Union's desire to abandon the 1948 agreement in favour of agreements made by the NJCCAT - which provided for wages and working conditions out of step with local government practice - the TGWU was informed that whilst the Corporation was not prepared to adopt the new agreement made by the Ministry of Transport and Civil Aviation, it was prepared to negotiate an entirely new agreement on the basis of terms of employment operating in the non-trading departments of local authorities. Appendix 8.2 provides a comparison of Manchester Corporation's proposals for new rates of pay with those applying at airports controlled by the Ministry of Transport and Civil Aviation. Whilst this offer was originally rejected by Union officials who argued that the agreement made by the Ministry was the only agreement to cover their members - as negotiations progressed the Local Organiser of the TGWU agreed that whilst falling short of the rates provided in the Ministry agreement, the Corporation's proposed increases were reasonable. However, whilst full time officials envisaged the possibility of agreement negotiations were interrupted by the threat of unofficial strike action on 14 February 1958 and at a mass meeting the following day, the TGWU members at Manchester Airport unanimously decided that the Corporation's proposals could not be accepted on the grounds that rates of pay applicable in local authority non-trading services could not be applied to an airport which represented a profitable trading concern. (7)

Faced with the prospect of industrial unrest the Airport Committee resolved that the new rates of pay adopted by the Ministry of Transport and Civil Aviation would have to be applied to porters, marshallers, chargehands and firemen from 1 January 1958, whilst unskilled workers like groundsmen, workshop labourers, car park attendants and cleaners continued with the status quo. However, it should be noted that in respect of additional payments for shift working, overtime, Sunday working etc, agreements arrived at in the North Western Whitley Council for Local Authority Trading Services were to form the basis of payment rather than agreements reached in the NJCCAT, so essentially, the fundamental link with general local government practice was preserved. (8)

In the long term, the Ministry's change of policy and the Union's

desire to abandon the 1948 agreement was viewed by the employers as an ideal opportunity for the Corporation to take steps to secure the establishment of a local Whitley Council to deal with the wages and working conditions of manual workers at the airport ensuring that agreements in the future would be more in keeping with local government practice. Manchester Corporation promoted the formulation of a scheme for grading employees at municipal airports under the NJC for Local Authorities' Services (Manual Workers). As suggested already, the scheme involved the classification of airports based for pay purposes on official statistics of terminal passengers handled. Appendix 8.4 provides details of the Initial Classification and rates of pay to be applied at municipal airports from 4 April 1960. Whilst the initial classification of airports accounted for differences in scale of activity, this was counter-balanced by higher rates of pay applying to duty crew as opposed to airport hands. Duty crew at smaller airports discharged a wider range of duties and at smaller airports the majority of groundstaff fell into this category. The lower rates applicable to airport hands and marshallers reflected a wider division of labour particularly at larger airports. (9) From an examination of Appendix 8.4, it is apparent that only certain designated posts were included in the scheme. No specific provision was made for general labourers, car park attendants, cleaners, gardeners, transport drivers, etc, who continued to be graded in accordance with the schedule of wages for general classes of employees issued by the NJC and thus received the same treatment as their counterparts in other local authority establishments.

Whilst the new grading scheme was ostensibly to apply to all of the municipal airports which had joined the Municipal Airports Panel, from the outset special provisions had to be made because of the particular local circumstances pertaining at Manchester Airport. For example, existing basic rates for marshallers, airport hands and firemen had to continue to apply in place of those in the original agreement along with existing shift and overtime rates and provision for payment for Sunday work until the parallel provisions of the local authority agreement were equivalent or better as a whole. Local plus rates established for marshallers and hands for driving had to continue and the existing provisions for holiday entitlements similarly had to apply in order to preserve conditions which were better than those provided

in the new agreement. (10) At the time of assimilation the lead rates for supervisors and assistant supervisors in the portering section and for leading firemen and senior firemen were also retained at the same level as those laid down by the NUCCAT. Initially then, whilst the Manchester Corporation had succeeded in establishing a Whitley Council to negotiate terms and conditions for manual workers at municipal airports its position within the overall structure was anomalous. However, within two years the last tie with the NUCCAT was severed when the assistant supervisors in the portering section raised the matter of revised supervisory lead rates arguing that lead payments failed to reflect additional responsibilities and the requirement to drive on the apron. (11)

The manual workers' conditions allowed for lead rates to be agreed locally, usually based upon a minimum lead of 6d per hour for foremen and 3d per hour for chargehands and the opportunity was taken to bring lead payments made to all first line supervisors at Manchester Airport into line with those applying to similar staffs in other local authority departments. The new lead payments covered all duties including driving fork-lift trucks, etc, when required, details are given in Appendix 8.9. (12)

Although the majority of manual workers and their immediate supervisors at Manchester Airport were within the purview of the Municipal Airports Panel (MAP), as suggested, a minority of manual staff were graded in accordance with the general classes of manual workers, whilst the terms and conditions of craft workers were determined by the JNC for Local Authorities' Services (Engineering Craftsmen). Following the establishment of the MAP and the agreement reached by this body, industrial relations in the early 1960s at Manchester Airport tended to be dominated by the need to maintain internal relativities between these different groups of staff. For example, in 1962, the Establishment Committee had approved payment of a "lieu-rate" of 6d per hour for engineering craftsmen and later a "lieu-rate" of 5d per hour for all semi-skilled employees who worked with the engineering craftsmen was approved. All labourers at Manchester Airport working in the maintenance section were regarded as semi-skilled engineering employees and were, therefore, included in the provisions. However, representations were made by groundsmen who wanted a similar lieu-rate. As these workers came under the general

classes of employees in the Manual Workers' Agreement a lieu-rate could not be paid and so a revised scheme for grading of employees in the maintenance section was recommended allowing groundsmen to be designated semi-skilled engineering workers. Details of this new grading scheme are provided in Appendix 8.6. (13) Another group of workers for whom special provisions had to be made were car park attendants who were similarly paid rates in accordance with NJC for Local Authorities' Services (General Classes) (Manual Workers) Group Two, that is £12 13s 4d for a 40 hour week in line with other car park attendants employed at municipal car parks. In 1968 a claim was lodged by the TGWU to the effect that the duties of car park attendants employed at Manchester Airport were greater than those performed at municipal car parks. For example, more cash was handled, attendants were required to drive vehicles, to wash soiled cars and to work night shifts unsupervised. In recognition of these duties a lead payment of 2d per hour was established. (14)

During the period, other groups of workers sought equality of treatment with airport hands. In 1960 long service increments had been established at national level providing payments of 3/8 per week for marshallers and 7/4 per week for airport hands, after four years service. Increments had been revised upwards in the following year but in May 1962, the TGWU asked for an increase in the marshallers' lead to conform with airport hands. The determination of long service increments (unlike lead rates) was subject to national agreement and, therefore, could not be resolved locally. This case in particular serves to demonstrate the slowness of achieving agreement in national negotiations. Following referral to the Employers' Side of the NJC, it was over a year before agreement to increase the maximum rate for marshallers at Group I airports was reached in June 1963. (15)

Generally, throughout the 1960s, measures were taken to ensure that the application of different terms and conditions of employment to different groups of industrial employees at Manchester Airport did not impact adversely upon industrial relations. Relativities were maintained and although agreement at national level could be protracted, it appeared that manual workers at the airport had been successfully integrated into the common body of local authority manual workers, whilst at the same time the terms and conditions agreed adequately reflected the specialised nature of many of the tasks

performed.

Generally, no further references were made to the terms and conditions applied to manual workers at airports elsewhere in the UK. However, an examination of the first major stoppage of work at Manchester Airport which involved portering and marshalling staff in 1960 and concerned purely domestic working conditions, is instructive in demonstrating two factors which would be significant in the future conduct of industrial relations. Firstly, the lack of any provision to cater for local differences between management and employees is highlighted. Secondly, this case demonstrates the difficulties encountered by management in any local authority enterprise where elected members are involved in industrial relations.

On the morning of 31 July 1960, a porter refused to carry out his supervisor's instructions to attend as driver to a "Starways" aircraft. The porter was suspended from duty and strike action was threatened unless the suspension was lifted. On Monday, 1 August the Shop Steward representing the portering staff issued an ultimatum to the Airport Director to attend a meeting with the Branch Steward and Secretary, otherwise strike action would ensue. Work ceased at 16:15 hours so the Airport Director attended to discuss the men's complaints. On the face of it, the dispute centred around relatively minor issues - no toilet facilities had been provided at the Wilmslow Road traffic control points and it was maintained that the men could not sufficiently relieve themselves; over a period of weeks, meal breaks had been late and the cooking stove in the Porters' Hut was unserviceable and unsuitable. The Airport Director agreed that the complaints were reasonable and undertook to investigate the situation and take any necessary action. However, as a secondary point a complaint was made about the manner of the men's supervisor and on 4 August, the men refused to work unless the supervisor was suspended immediately. Following a meeting between the Airport Director and the TGWU Union Organiser, the men were told that they had no case for taking strike action and that if they failed to return to work, they would be dismissed. Dismissal notices were issued for 68 regular porters, 63 temporary porters, 11 marshallers and one supervisor. On Saturday, 6 August, the Trade Union Organiser informed management that the men were prepared to return to work provided that all those dismissed were reinstated. However, steps had already been taken to engage other staff.

By Monday, 8 August, over 370 applications for employment as airport hands had been received, 76 from former regular employees and 59 from former temporary employees engaged for the summer only. Following interviews, 31 ex-permanent staff and 21 ex-temporary staff were offered immediate engagements which were accepted. 33 of the portering staff who had been sick or on leave at the time of the strike remained in employment and the full complement of the portering section was made up by the recruitment of 60 new temporary employees to fill existing vacancies. (16)

Having acted unilaterally to maintain services in the face of unofficial strike action without the involvement of elected members, a sub-committee of the Chair and Deputy Chair of the Airport Committee was appointed to discuss the question of the stoppage of work with representatives of the TGWU and to report to a special meeting of the Committee on 19 August 1960. At this special meeting a motion was made:

"(i) That this committee strongly deprecate the action of those members of the portering staff who engaged in unofficial strike action on 5 August, (ii) That this Committee desire to commend the Airport Director for maintaining the services of the airport in full operation during the strike, (iii) That this Committee regrets the sending of written notices terminating the services of the portering staff without committee approval and that in view of representations made by the Trade Union concerned, of assurances from Trade Union representatives and in the interests of good relations, those porters not so far re-engaged be re-instated authorising the termination of employment of temporary employees recruited during the strike."

In this third clause of the motion, airport management was effectively being reprimanded for having acted independently and having taken decisions to ensure that airport services would be maintained - they were overruled by elected members. Although an amendment was moved to the effect that the action of the Chair and Airport Director in keeping the airport open be commended, this amendment was defeated by four votes to nine. (17) In this dispute, the balance of power had been tested and it was clear that so long as the Trade Unions could appeal directly to elected members any negotiations with airport management could be rendered inconsequential. Whilst the labour force was free to take unofficial action not sanctioned by the Trade Union and as a consequence could achieve immediate disruption of airport services, management was unable to act quickly to try to resolve any disputes,

any action having to be sanctioned by committee. The dispute also demonstrated that in the absence of any forum for management and unions to discuss local issues any difference could rapidly escalate to a major dispute without any formal mechanism to achieve an early settlement.

As suggested, following the 1960 dispute there was little industrial unrest at Manchester Airport for much of the decade. However, in 1968 another major dispute took place. Although this dispute was primarily sparked by local issues concerning pay it also highlighted what, in the interim, had become a general dissatisfaction with the wages and working conditions determined by the Municipal Airports Panel, governing members of the portering section. The dispute also marked the revival of a desire to equate manual employees at Manchester Airport with manual staff of the BAA employed at the London airports and Prestwick Airport in Scotland. As highlighted earlier, new terms and conditions had been instituted under a separate agreement between the TGWU and the BAA when the new corporation had been formed. (18)

Primarily, the TGWU at Manchester Airport raised three issues for local consideration. Firstly, the Union argued that local lead rates for supervisory staff in the portering section needed to be improved on the basis of a decrease in their real value since they were last reviewed in 1964 and in view of extra responsibilities assumed in recent years. As far as drivers of fork-lifts, internal combustion engine vehicles and electric tugs were concerned, an increase in the actual rates paid was claimed and the Union also requested that the lead be paid at all times to all licensed drivers authorised by the Airport Department to drive. At the time driving leads were paid only to those who were designated drivers for the week or who were asked to drive for more than 50% of their shift. At their discretion, supervisors could detail drivers to carry out this duty for less than 50% of any shift, thereby depriving them of the lead rate - a practice which the Trade Union deemed to be unfair. A second but related issue was provision for the payment of lead rates for relief marshalling duties. Finally, the Trade Union was concerned about the employment of temporary porters in the summer peak period and its impact on the potential earnings of its permanent members. (19)

As far as lead rates for supervisory staff are concerned, there were three main grades of supervisor employed in the portering section.

Crew or Assistant Supervisors, employed on manual grades, were in charge of a small group of men working on an aircraft or in one section of the terminal building. Full Supervisors otherwise designated Pier Supervisors or Building Staff Supervisors were responsible respectively, for aircraft loading operations on one of the piers or for control of all staff within the terminal building. The third supervisory grade paid on miscellaneous rates was the Apron Supervisor which was the next senior grade below Airport Duty Officer. (20) The TGWU maintained that on a number of occasions, especially when dealing with freight and mail aircraft, Crew Supervisors were required to supervise one crew plus four standby men, making a total of eight men including two lifting vehicle drivers, a responsibility which was not adequately reflected in the payment of a lead of 4d per hour. An additional responsibility had been the recording of loading and off-loading times in order to ensure that when enquiries were made regarding delays in general loading activities, it would be possible to show whether or not any delay had been attributable to the Airport Department. It was argued that Pier Supervisors or Full Supervisors similarly had assumed extra responsibilities in the form of keeping baggage and freight records, supervising standby crews, driving a Thames van with radio, driving fork lift trucks and Hi-Los, handling small aircraft and overall responsibility for the Disposal Point on the International Pier. (21)

In principle, the employers agreed the extra duties of Crew Supervisors but strongly contested the case put forward for Full Supervisors on every count. The keeping of baggage and freight records purely constituted entering a tick on a "bay allocation sheet" indicating whether baggage or freight had been handled and entering any load changes. The supervision of standby crews was not regarded as a new duty at all and in respect of driving, it was argued that lead rates for portering supervisors operating from January 1964 had been deliberately formulated to recognise that supervisors who could drive a full range of vehicles were more useful than those who could not and thus took account of a range of duties including driving, where qualified. (22) As far as the driving of fork lift trucks and Hi-Los was concerned, it was argued that during discussions, in November 1963, it had been stressed that a fork lift could include any vehicle incorporating hydraulic lifting, such as the Freightmaster and a Hi-Lo

owned by BEA had been operated by Corporation staff in 1963. The handling of small aircraft and the shepherding of crew and passengers was seen to be an additional duty, but no other duties were carried out at the same time. Finally, responsibility for the disposal point in the International Pier purely involved checking that the refuse was collected from the pier at the appropriate time. (23)

Whilst airport management generally denied extra duties and responsibilities, consideration of the claim was also influenced by the likely effect which increasing lead rates to Crew or Full Supervisors would have on differentials between these and their immediate supervisors on Miscellaneous Grades. Moreover, management were also conscious of the fact that to concede would have established a precedent that any extra duty which a supervisor might be called upon to perform would become the subject of a claim. As a result, the Chair and Deputy of the Airport Committee recommended no action in respect of the claim for supervisors. As far as the Union's claim for increased leads to drivers of fork-lifts, IC engines and electric tugs was concerned, the Airport Director advised that a question of principle was involved in maintaining the status quo and any modification, if granted, should be on the grounds of goodwill - as a gesture to signify the Corporation's desire to maintain good relations with staff at the airport. (24)

The question of lead payments for relief marshalling duties had represented a difficulty for some time. Up to 1 January 1966, marshallers had worked a regular 48 hour week. A cover of two men on day shift and one on night shift had been required totalling 280 hours per week. Six men employed on 48 hours had produced 288 hours per week, providing a slight surplus. When the official working week was reduced to 40 hours, a five day week had been introduced. However, it had also been agreed that in order to raise the level of "take home" pay, the working week would be rostered on a 44 hour basis. As far as the portering staff were concerned, this new regime had operated satisfactorily. However, a problem had emerged in respect of marshalling cover. Six men on a 44 hour week would only provide cover for 264 hours (16 too few), whereas seven worked 308 hours, (28 too many). Two options were available to secure a 44 hour week with economy in manpower. Either a seven man roster could operate with spare hours being occupied by general portering duties, or a six man

roster could be adopted with gaps being filled by relief marshallers paid on the basis of actual shifts worked. The employees opted for the second alternative. In the summer of 1967 however, the position has been complicated by the staff operating a 40 hour week with an overtime ban in support of general pay claims. As a result, seven marshallers were employed full-time to cover requirements, all receiving full pay for the whole week. After discussions, agreement had been reached for a return to a 44 hour week and for marshallers to return to a six man roster. The staff requested that the seventh man who had been drawing a full time lead payment should be allowed to continue to do so and this was agreed on condition that as soon as a vacancy occurred in the Marshalling Section, the system would revert to one in which any reserves would be paid for actual shifts worked. When such a vacancy did arise, the men requested that the new "first reserve" marshaller should also be paid on a full time basis even though only one or two shifts would be worked per week. The Airport Director could not accept this proposal on the grounds that if seven men were paid on a full-time basis, the Corporation had the right to expect the benefits of a seven man as opposed to a six man roster. At the end of the day, two shifts each week had operated with a deficiency of one marshaller for some time, as the "reserves" had refused to carry out this duty until their demands had been met. The Airport Director again advised that any modification should be as a gesture of goodwill and it was agreed with the Airport Committee that the Union's demands should be acceded to. A six man roster was to operate with relief marshallers filling the gaps and being paid marshallers rates for the whole week even though they performed marshalling duties only once or twice a week. (25)

As far as the employment of temporary porters is concerned, the TGWU requested that the number of temporary porters employed during the summer peak period should be kept to a minimum to enable their members on the permanent staff to work additional overtime. Again on this issue the Corporation was prepared to give way, recommending the Airport Director to restrict the recruitment of temporary labour to the absolute minimum to allow porters to work more "day off overtime", on condition that the existing staff gave a written undertaking to carry out any necessary extra duties and comply with the detailed requirements of the Airport Director. (26)

Following two short unofficial stoppages of work on 24 and 25 May,

the Airport Committee agreed that with effect from 30 May 1968 all authorised drivers of fork-lifts, internal combustion engine vehicles and electric tugs, irrespective of the number of hours worked and whether or not designated as "drivers for week" should be paid the appropriate lead rates at all times including holidays and sickness. It was also agreed from the same date that a six man roster should apply to marshalling duties with gaps being filled by a nominated relief marshaller, paid on the marshallers rate for the week. The Committee also decided that the employment of temporary porters should be restricted. However, the Trade Group Secretary of the TGWU was informed that in respect of the claim for improved lead rates for supervisors, any claim based upon a decline in the value of leads in real money terms would be contrary to the criteria set out in the Government's White Paper on Prices and Incomes Policy, as extra duties and responsibilities could not be fully justified. (27)

Whilst the issue of improved lead payments for supervisors in the portering section remained in question, it is unlikely that this issue in itself would have contributed to an escalation of industrial unrest. However, it was linked to other more fundamental claims made by the TGWU, one of which could not be settled at the local negotiating level anyway and another which threatened to undermine the whole framework of the national negotiation of pay and conditions at municipal airports which had been established in 1960. Firstly, the Union locally claimed that shift payments under the national agreement were inadequate, but this was a question which could only be considered by the NJC and at the time, it was considering a national claim for a substantial increase in rates of pay for all employees within its scope. Also under consideration was a report from a group of consultants on the Prices and Incomes' Board's suggestion for interim productivity payments. (28) The national Trade Union Side's claim also suggested improvements in enhancements paid for shift working, night work rates and other allowances. This aspect of the claim had been referred to the Joint Secretaries for examination and report. In essence then, whatever the local TGWU claim for improved shift payments, the outcome was dependent upon the conduct of national negotiations. (29)

Whilst these claims for improvements in the pay of manual workers at Manchester Airport were significant, forming the basis of continued industrial action, the major stumbling block in maintaining good

relations was the call for alternative negotiating arrangements. The TGWU locally pressed the Corporation to enter into a separate agreement regarding members employed at Manchester Airport, adopting wages and working conditions not less favourable than those applying to manual workers employed by the BAA. In response to this claim the Airport Committee argued that the withdrawal from the national agreement ran contrary to the City Council's declared policy. In principle, such a course could have opened up the doors to all other manual workers governed by national agreements who might similarly be encouraged to seek local agreements. In practice, the Airport Committee was also concerned that the application of BAA rates of pay to portering staff could seriously disturb the established differentials between different categories of staff which had underpinned the settlement of rates of pay for administrative and manual staffs for some years. (30)

The outright refusal on the part of the Airport Committee to entertain a local agreement coupled with the refusal to improve supervisors' lead rates locally, led to an escalation of industrial action. On 6 June 1968, the Trade Group Secretary of the TGWU responded to the decision of the Airport Committee:

"The decisions of the Airport Committee have caused bitter resentment at what our members feel is a complete lack of understanding of the situation at Ringway by the Employing Committee. The present activity will continue and could escalate. We deplore your attitude to our claim for an improvement in lead rates and improved shift allowances . . . Even within the framework of Prices and Incomes Policy "Productivity, Prices and Incomes Policy in 1968/9" Cmnd 3590, Paragraph 34, Criteria for Incomes Policy, Clause 4, when the wages of members at Ringway are compared to those being paid by the BAA for doing similar work, the question of negotiation is not precluded." (31)

As regards the question of opting out of the NJC machinery is concerned, it was suggested that this was :

"not without precedent, as you are aware, the Manchester Corporation Transport Department have a separate agreement with this organisation." (32)

A series of stoppages of work by the portering staff which had commenced on 24 May 1968 were supported by other operational sections and continued into the next month. Details of the timing and effect of this action are provided in Appendix 8.7. At a mass meeting on 5 June, it had been decided to continue sporadic withdrawals of labour until an emergency meeting between Union officials and the Airport Committee was arranged to reconsider the porters' claim. Firemen at the airport had

also agreed to support the stoppages which would by their action require the airport to be closed and the dispute developed to involve 340 groundstaff at the Airport who were members of the TGWU. (33) Faced with escalating unrest it was decided by the Airport Committee to invoke the machinery provided within the constitution of the NJC for preventing disputes. An early meeting of the Disputes Committee of the NJC and the Joint Secretaries of the Employees Side was requested whilst the Town Clerk prepared the Corporation's statement of case for exchange with the Union. At the same time, the Employers' Secretary was investigating ways and means of improving the wages structure within the framework of the National Agreement for Employees at Municipal Airports with a view to submitting proposals to the Disputes Committee. The TGWU however, intimated that they and the employees concerned were not willing to attend before the Disputes Committee. By the end of the month, details of firm proposals for improving the wages structure within the national agreement had been submitted to the Trade Union representatives and agreement had been reached at Joint Secretary level covering shift pay and basic wage rates for both porters and firemen. (34)

However, whilst agreement had been reached at national level the employees involved in the dispute at Manchester Airport refused to accept the recommendation of their national Union officials.

A meeting of the City Council on 3 July 1968, resolved:

"That having regard (a) to the men's refusal to accept the recommendations for improved pay by the Joint Secretaries of the National Joint Council and (b) to the fact that the 20 unofficial strikes have not only caused severe hardship to many thousands of passengers, but have actually placed passengers' lives in peril by withdrawal of the fire services, the Airport Committee must in future dismiss from their employment any man who takes part in unofficial stoppages." (35)

The dispute was only resolved by discussions under the Chairmanship of the Deputy Conciliation Officer of the Department of Employment and Productivity, involving representatives of the Manchester Corporation, the TGWU and the Joint Secretaries of the NJC. (36) Details of the terms recommended for adoption in settlement of the difference between the parties are provided in Appendix 8.8. Appendix 8.9 summarises the effects of the agreement on existing wage rates at Manchester Airport and compares revised wage rates with those prevailing at BAA airports. Basically, an airport hand or qualified fireman in the first year of

service at Manchester Airport could enjoy a basic salary higher than their counterparts employed by the BAA, but in some instances earnings did not compare favourably when the rostered week and long service allowances were taken into account. The cost of settlement to Manchester Airport was estimated at £24,600 for portering and £4,800 for fire service manual staffs in 1968/9 with additional costs expected to rise to £35,800 and £6,400 respectively in the future. (37)

A feature of the dispute which is worth noting is that in financial terms the airport was unaffected because given the short sporadic nature of industrial action, its major effect was to cause delays to air services and only a limited number of diversions. In fact, the airport administration made a saving of some £2,300 in non-payment of wages. It was the airlines operating out of Manchester which bore the cost of the dispute. Representatives of KLM estimated that a flight diversion to London involved £250 in bringing passengers to Manchester. The Sales Manager of BEA also pointed out that because of relatively high fuel costs, if a jet had to circle above Manchester Airport for only a short time, the cost involved could be greater than a diversion. At the end of the strike BEA represented the airline most severely affected with costs of the dispute being estimated at about £15,000. (38) It may be argued on this basis that although the airport suffered no immediate cost in the dispute, long term consequences could be severe if airlines chose to withdraw air services into and out of Manchester.

At the end of the day, the direct costs of settling the dispute increased staffing costs in other areas as a consequence of maintaining internal relativities. The NJC for Local Authorities Services (Engineering Craftsmen) which governed the pay and conditions of all local authority engineering craftsmen made no separate provision for craftsmen employed at municipal airports and following the settlement with porters, the AEU, ETU and National Society of Metal Mechanics representing about 40 engineering craftsmen at municipal airports registered concern regarding the impact of the settlement on differentials. As a result the "airport classification payment" made to porters was applied to this group of workers at Manchester Airport. (39) Similarly, once agreement had been reached regarding increased payments to porters and firemen, the TGWU claimed similar increases for the remaining employees falling within the scope of the NJC which

included two main groups of workers - 45 semi-skilled engineering workers who since 1962 had been graded in accordance with the NJC Scheme for Semi-Skilled Engineering Employees (the majority of labourers were employed on the second grade of the four grade scheme) and a small number of car park attendants.

The Union's claim in respect of semi-skilled engineering employees involved firstly designating them "airport hands". Under existing conditions of service, only the highest Grade Four carried the same rate as the national rate for airport hands. In addition, the Union claimed some form of shift payment for staggered day working and the payment of driving leads. However, because of the diversity of work in the maintenance section, the Airport Department argued that the designation "airport hand" would be inappropriate because any flexibility as a result would be one way. In other words, the body of airport hands at the airport could not do the work of semi-skilled workers in the maintenance section. Corporation representatives however, suggested that the airport classification payment be made to this group of staff along with an extra 2½d per hour on account of the national settlement. The claim for shift payments was not acceded to on the grounds that staggered day working was not comparable to shift working and similarly the payment of driving leads was rejected as the grading scheme for semi-skilled workers in the maintenance section already involved a requirement for these workers to be drivers capable of using tools. Any concession in this regard would, therefore, have been contrary to the general practice in other Corporation departments. As far as car park attendants were concerned, again the designation of "airport hand" was refused although lead rates were increased along with shift allowances and 2½d was offered on account of the national settlement. (40)

Although the 1968 settlement for airport hands and firemen at Manchester Airport and the adjustment of rates for other manual workers secured industrial peace, this was only temporary as the settlement had failed to address the fundamental grievance that differences in pay structures between airports in different ownership groups persisted. As pointed out earlier, this question had been addressed by the National Board for Prices and Incomes, but no lasting solution had been found. In April 1970, further disruption of operations occurred at Manchester Airport with employees in the apron services and fire

service sections, car park attendants and semi-skilled workers in the maintenance section closing the airport for a continuous 24 hour period, with short lightning strikes on two other occasions. (41)

Since the pay settlement of 1968, the Employees Side of the NJC had continually made reference to BAA rates of pay whilst the Employers' Side had emphasised that the BAA agreement had two elements - a London weighting of 30s per week and a productivity payment of about 40s per week which had to be taken into account in comparing rates of pay. At Manchester Airport, steps had been taken to conclude a productivity deal with the portering and fire staffs, guaranteeing for 12 months a minimum bonus payment of £2 per week for 40 hours. A net increase of 30s had been proposed after absorbing the 10s bonus granted under the 1968 settlement. Whilst the productivity deal as such was acceptable to the Union, they were unwilling to finalise an agreement until a satisfactory settlement regarding rates of pay at national level could be concluded. In effect, the 24 hour stoppage at Manchester was in support of colleagues at Glasgow Airport who were involved in action to pressurise the employers into conceding BAA rates. Workers at Manchester whose levels of pay had been increased in 1968 to more adequately reflect the similar scale of operations with BAA airports were, therefore, not in dispute with the Corporation regarding parity claims but maintained that the employers' representatives on the NJC were taking too long deliberating the questions of parity for all manual workers at municipal airports. (42) In order to prevent further disruption, the Municipal Airports Panel compromised on the basis that all future wage increases determined for BAA manual workers would apply to all municipal airports in place of local authority pay increases, whilst local authority basic rates and shift enhancements would continue to apply. In principle, in accepting the application of BAA pay increases, the National Joint Council was also accepting that all local authority airport manual workers should be brought up to the level of Manchester Airport for pay purposes. However, a secondary consideration was the maintenance of the differential between employees at Manchester and those at other municipal airports. So at the same time, the original four group classification of airports for pay purposes which accounted for differences in size, scope and workload was replaced by a two airport classification with Manchester Airport employees alone falling within the highest classification receiving 50p

per week more than their counterparts at other municipal airports. (43)

Between 1970 and 1975, there was little industrial action at municipal airports across the board against national settlements. However, at Manchester Airport the manual workers continued to press for a complete break with the national agreement and for the local determination of pay and conditions of service. Between mid March and early April 1975, dissatisfaction again erupted into widespread unrest. Airport hands, firemen, car park attendants, terrace wardens and unskilled labourers took part in five stoppages of work, four of which extended beyond 24 hours and which took place over the peak Friday-Saturday period. As this industrial action meant that the airport was closed for long periods, flights tended to be diverted rather than delayed. In one day alone, 116 scheduled flights and 26 charter flights had been affected. All Manchester to London flights had to be cancelled along with the flights operated to the continent by foreign airlines. British Airways flights to the continent were transferred to Castle Donnington and other flights were diverted to Blackpool and Gatwick. With cancellations and diversions, the authority incurred revenue losses of £42,300 against an estimated reduction of £15,300 in the wage bill. (44)

On 10 March, after extensive negotiations, agreement had been reached by both sides of the Municipal Airports Panel regarding the 1975 annual pay settlement. The basic pay of airport workers was to be increased by £8.50 per week, as compared with an increase of £7.78 for other local authority manual workers. Shift payments were to be increased in line with recently negotiated and accepted shift payments for all local authority manual workers. The effect of this agreement at Manchester Airport was to increase average earnings by over £13 per week, representing a 32% improvement on existing pay. However, the TGWU representatives at the airport indicated that in addition to the £8.50 increase in basic rates, they wanted the basis of shift payments to be altered to 20% of the basic rate, thereby bringing shift payments into line with those paid to staff grades and improving the level of earnings by over 40%. To concede this claim would have added another £100,000 to the airport wage bill and more serious consequences were envisaged in the creation of uncontrollable anomalies with other local authority workers. (45) At a mass meeting of the Manchester Airport Branch on 4 April, the District Secretary of the TGWU was instructed to

make a specific request for the Manchester Airport Joint Committee to enter negotiations to establish a comprehensive local agreement on wages and conditions. (46) The management produced statistical evidence, which is reproduced in Appendix 8.10, to show that local authority rates when calculated over local shift rosters were equal to those of the BAA and other public sector employees. (47)

National Trade Union officials appealed to all members not to engage in industrial action and, as a result of this appeal, and in the light of overall increases granted, all municipal airports continued normal working, with two exceptions. At Manchester and Newcastle airports, unofficial action was taken in support of the claim for shift rates to be revised. This action was strongly deprecated by national Trade Union officials who advised that local authorities should on no account negotiate outside the terms of the mutually accepted national agreement. The Manchester men could not persuade members at other airports to support their action - the only undertaking which was secured was a refusal to handle aircraft diverted from Manchester. As the airlines operating out of Manchester began to withdraw air services and losses began to accrue to the Corporation, the response of the Airport Committee was unequivocal. Unless the men were willing to return to normal working, the Committee themselves would close the airport. Faced with the employers' intransigence, a return to work was secured, although the employees made clear their intention to opt out of the national agreement and to continue to press for a local agreement. (48)

The 1970s generally were a period of rapid expansion at Manchester Airport with new types of larger aircraft coming into operation and changes in equipment which affected particular work areas and further complicated industrial relations. The Engineering Section, which comprised 64 skilled workers, 11 apprentices and 61 semi-skilled workers/groundsmen and was responsible for operational serviceability, design and maintenance of gas, water and electricity supplies, airfield lighting, motor transport, plant and equipment including heating and ventilation, stand-by plant, electronics equipment, refrigerators and escalators, maintenance of drainage sewage disposal, runways, taxiways and internal roads, was substantially effected by new developments. As a result of £3.9 million additional investment in vehicles, equipment and plant between 1974 and 1978, the maintenance function required a

familiarity with the more modern technology of hydraulics, control circuitry and electronics, including computers. Some staff found it difficult to absorb the increased technical knowledge necessary and because of the lack of training at shop floor level, jobs took longer to complete causing serious problems in the scheduling of work. (49) The introduction of complex electronics equipment, in particular, created difficulties in staff recruitment and consequent difficulty in maintaining an effective service. A separate electronics section had been established in 1975 with the introduction of two posts of electronics engineer. In 1977, the establishment was increased by three posts of electronics technician but as more complex and advanced electronics equipment like metal detectors, x-ray equipment, micro processors, programmable logic controllers, low level light cameras and explosive detection equipment came into use, two of these posts remained vacant reflecting the inability to recruit suitable staff. (50)

Whilst new electronics systems required specialist skills, the difficulty of recruiting and retaining staff was reflected across the maintenance function. Trade Union representatives maintained that the situation was deteriorating daily. Men, especially young men who were fitters, electricians and semi-skilled workers, were being lost at the rate of one a week. The root cause of this predicament was seen to be the relatively low earnings of craftsmen in local authorities. (51) As rates of pay were set nationally by the Standing Conference of Electricians and the JNC for Local Authorities' Services (Engineering Craftsmen) increased skills payments and bonus earnings were regarded as the most appropriate measures which could be used to reflect local circumstances.

Initially, discussions took place between the Airport Authority and the EETPU for increases in skills payments made to electricians employed by the Airport Authority. Discussions culminated in a submission to the NJC which agreed to a two stage increase in skills payments in recognition of the requirement for electricians to undergo training in and undertake work on complex electronics equipment. Electricians accepted the first stage but rejected the second stage, so a working party was set up under the JNC for Local Authorities' Services (Engineering Craftsmen) primarily to investigate the claim made by the electricians, but also to judge whether there was

justification for similar skills payments to engineering craftsmen generally. The terms of reference of the working party were:

"To examine and evaluate the complexity of electrical/electronic work and mechanical work executed by the electricians and engineering craftsmen respectively at Manchester International Airport and to consider the rate of pay in relation to those of their counterparts in other local authority departments." (52)

The working party concluded that extra skills were required of craftsmen employed within the airport and that the most satisfactory basis of assessing the necessary skills was to relate job functions with training needs, thus providing a grading structure based on these two factors. The working party also expressed the view that there should be a common basic grade for all craftsmen (that is the same for electricians, mechanics, fitters) employed at the airport, and that this common rate should be in excess of the basic rate for other local authority craftsmen, bearing a direct relationship with the rates paid to craftsmen at airports other than those run by local authorities (that is Heathrow and Gatwick). (53) An agreement was drawn up between the Manchester International Airport and the AUEW, EETPU and NSMM representative of the craftsmen:

"Where there can be identified an extra skills requirement and training courses can be designed to relate the training needs to the job functions, a graded structure should be evolved relating reward to competence." (54)

Training modules were to be purpose designed around the advanced technology employed at MIA and, although the job requirements for mechanics and fitters - as opposed to electricians - were different, it was possible for a common grading structure to be applied based on functions and training. The training of mechanics and fitters was to provide for greater diversification and versatility and enable more flexibility between specialisms, whilst the electricians' training was to be geared more towards academic ability. (55) The skills related payment scheme based on a comprehensive training programme was thought to be of significant advantage to airport engineering management as a result of increased flexibility and greater expertise across the board. A more "complete" type of craftsman would evolve, able to undertake work at the highest level of competence and flexibility. It was hoped that increased job satisfaction would provide a more interesting career and assist with recruitment and retention of skilled craftsmen. (56)

As far as the bonus earnings of craftsmen at Manchester Airport is

concerned, although a UMS system had been in operation for some years, bonus earnings had remained constant at a level of about 30% and shop stewards of the EETPU, TGWU, Metal Mechanics and AEU requested an inquiry into the engineering department's management procedures. As a result of this inquiry, an agreement was reached for changes in working practices which, when implemented, resulted in cost savings to those groups participating, and allowed self financing productivity/efficiency payments to be made to all craftsmen employed by MIAA. Groundstaff, for example, had operated a stand-by system comprising four or six men when freezing conditions or snow was forecast. The appropriate stand-by crew would remain on the station covering a 14 hour period from 18.00 hours to 08.00 hours the following morning. If ice and snow conditions did not prevail, the stand-by crew would not carry out other work. This restrictive practice had been in operation for over 12 years. As part of the productivity deal, it was agreed that essential scheduled work, like litter picking and general cleanliness within the manoeuvring area which was more efficient if carried out in the quieter night time hours, would be undertaken by stand-by crews. The method of maintaining the airfield lighting system had comprised of a system whereby an electrician and semi-skilled engineer carried out routine inspection and fitting changes, the semi-skilled man being present to provide an RT watch only. With increased flexibility, the semi-skilled man could carry the portable RT set, execute the fitting change and inspection allowing the electrician to carry out other duties. Many services carried out on equipment and plant at the airport had also been done with a skilled and semi-skilled man working together. It was accepted by those concerned that this method of working was a form of restrictive practice and that a proportion of the work need only be carried out by a semi-skilled operator, usually working on his own. In general, the changes in working practices, as a result of the productivity deal, benefitted management in a number of ways. The introduction and use of new and more advanced equipment and machinery was achieved, first line servicing involving plant and equipment could be carried out by semi-skilled engineers, all engineering staff could be required to work single handed up to the limits of their capabilities, operating from mobile work stations and other outstations to maximise actual working hours. Full interchangeability and flexibility of staff was introduced

so that mixed disciplines could operate within the basic job function of each specialism. Manpower savings of £82,025 per annum enabled much of the minor improvements and development work at the airport to be carried out in-house with the advantage that the priority demands at the airport could be met without relying on contractors and other contractual agencies; costs could be reduced by limiting travelling time to a minimum (contractors when employed averaged about two hours per day travelling time); the use of airport staff to install equipment established immediate familiarisation thus reducing training needs and "down time" on equipment failure and job satisfaction improved. (57)

Other work areas where new equipment was introduced as a result of growth and development in the 1970s included the fire and portering sections. The Fire Brigade had, in fact, been required to adopt new equipment and methods in the past as the constant growth of the airport had necessitated change to comply with aerodrome licensing provisions. In 1959, the introduction of two new fire appliances and a rescue tender had allowed for a reduction in establishment from 35 to 26 firemen. These new machines had involved complex designs and had needed constant skilled attention to maintain them at the required level of efficiency. A qualified Fire Section Engineer familiar with the design of the equipment as well as chassis, engine and accessories, had been employed and the newly created post had been responsible for the training of pump operators to provide insurance against misuse. (58) With the increase in scheduled movements of large type aircraft with all-up-weight of not less than 200,000 pounds in the mid 1960s, the airport required a Category IX fire fighting capacity. Only the BAA airports at Prestwick and London operated to this standard at the time and the nearest equivalent in the group of municipally owned airports were the Category VI airports at Birmingham, Liverpool and Southend. To bring the fire fighting media carried on vehicles up to the standard required, it was necessary to provide an additional foam tender at Manchester Airport. Compliance with categorisation standards also required an increase in the establishment of the Fire Section from 41 to 59 and recruitment of an additional 17 firemen designated leading firemen, senior firemen or firemen and one section leader. (59)

By the early 1970s, the equipment maintained by the Fire Service at Manchester Airport had increased to include two General Motors Pyrene Pathfinder 6x6 Jumbo Foam Tenders; one Cummins Diesel/Thorneycroft

TMA/300 6x6 Foam Tender; one Rolls Royce/Thorneycroft TFA B81 6x6 3,000 Foam Tender and a larger 6,000 version; one Mercedes Benz 4x4 Unimog Emergency Tender; one Bedford 4x4 Hose Layer; one Commer 4x2 LWB; one Austin 4x2 A159 Ambulance Control Unit and one Ford Transit Kombi Apron Services vehicle SWB 22cwt. Prior to 1970, provision had been made for senior firemen on staff grades to be in charge of the larger appliances. However, in that year, the rank of senior fireman had been abolished and the complement of 18 senior firemen reduced to 15 leading firemen. In anticipation of increased air services, the purchase of two heavy duty Jumbo fire vehicles had been authorised and these highly sophisticated appliances had to be operated by two leading firemen, one driver and one monitor operator. Other equipment was to be introduced to the service like breathing apparatus and headphones in the watch room. Together with existing equipment, the addition of these two vehicles gave Manchester Category X fire standards, the only other UK airport operating to this standard being Heathrow. Again, it was decided that leading firemen should be in charge of vehicles, so in 1973 the complement of firemen was reduced from 45 to 36 and leading firemen increased from 15 to 24. (60)

Like the Fire Service, the portering section had in the past been required to operate additional plant, but again the introduction of new equipment to handle Boeing 747 aircraft represented a fundamental departure from anything which had preceded it in terms of its technical operation. In 1971, a special lead rate of £9.50 had been introduced for airport hands operating this equipment and in later years, a Hi-Lo 18 which was capable of operating B747 freight aircraft was introduced. (61)

Given the technical sophistication of equipment to cater for the larger jets in April 1977, the TGWU had requested a review of local lead rates for driving and operating this new equipment along with consideration of shift payments, the classification payment at Manchester Airport and the grades and rates of pay of all manual graded staff. In view of the fact that the claim involved many issues which were subject to national agreement, a reference was made to the Municipal Airports Panel for the establishment of a working party to examine the duties of all manual workers at local authority airports including Manchester. (62)

Discussions on detailed claims for increased leads continued at the

local level, but little agreement could be reached as management did not consider that the claims for local payments met pay criteria and expressed the view that it would be more appropriate for the Union to seek an increase in the 50p classification allowance by establishing that in general, the work discharged at Manchester was more complex than elsewhere. As part of the January 1978 pay deal, a more comprehensive review of the wages structures at municipal airports, examining the relevance of job evaluation and the effects of new technology was agreed. The working party was to collect information regarding pay, jobs performed, equipment used, etc, from all municipal airports and after visiting a selection of airports grades and pay structures were to be examined especially in the light of changes in aircraft using, or equipment being operated at, each airport. This analysis would determine whether or not there were grounds for increasing the 50p classification payment at Manchester Airport. (63)

As progress at national level continued to be slow, the implications for Manchester Airport became more serious. Although discussions with representatives of the Fire Service regarding the introduction of new equipment had been in progress since February 1977, in March 1978 representatives of the firemen decided that they would not use Rapid Intervention Vehicles nor breathing apparatus without additional payments. The refusal to maintain the RIVs had potentially serious consequences if it meant that the vehicles were not available to attend an emergency. The CAA advised that unless at least one RIV - which was to replace an emergency tender more than 20 years old - could be brought into use, the airport would be reduced to handling aircraft no larger than the BAC 1-11. The firemen were supported in their action by the airport hands who refused to operate the Hi-Lo 18 until additional payments had been made to all manual workers. This was the only piece of equipment owned by the airport authority capable of operating B747 freighters and as these aircraft could not be handled at the airport, potential income was being lost (one 747 freighter landing per week could produce an annual income of more than £125,000). (64)

In an attempt to stabilise industrial relations and in view of the frequent and protracted negotiations with the TGWU at Manchester Airport in April 1978 a formal Joint Consultative Committee was formed. This was to provide a means of communication by which mutually acceptable solutions could be sought through a genuine exchange of

views and information. Six representatives of the employers and six representatives of the TGWU were to discuss local claims for increased pay and related issues like productivity schemes and manning levels. (65) In effect, the introduction of Rapid Intervention Vehicles to the Fire Service had implications not only for pay but for manning levels as well as staffing arrangements had to cater for firemen training on these new vehicles. On 9 August 1978, the Fire Service undertook a lightning strike between 09.30 and 13.00 over the issue of manning levels. As a result of this action, 12 in-bound flights were diverted or delayed, affecting 800 passengers, four in-bound London flights were cancelled, seven flights were diverted to Liverpool and one to Birmingham. Of the out-bound flights scheduled from Manchester, four to London were cancelled; six were diverted for take-off from Liverpool; a flight to Paris was cancelled with passengers being dispatched from Manchester on a later flight and a further six out-bound flights were delayed. In all, some 23 flights failed to operate out of Manchester and 2,300 passengers were affected involving a loss to the authority of £5,100. (66)

In this instance, the Joint Consultative Committee proved to be a useful forum for achieving agreement between employee and employer representatives and curtailing further industrial unrest. The TGWU had suggested that the issues in dispute could be settled if the authority agreed to the immediate implementation of a 17 man minimum watch-firemen would train on the RIVs whenever 17 men were on day duty on an agreed basis; the authority were also to agree to the immediate recruitment of eight additional firemen bringing them onto the watch as soon as possible, and finally a recommendation was to be made to the national Municipal Airports Panel that any additional payment made to firemen for training on RIVs would be backdated. As agreement had been reached in the Joint Consultative Committee, the employees' representatives agreed to put a strong recommendation to the employees to accept these terms and not to partake in further industrial action. (67)

A month later, the national working party reported to the effect that duties at Manchester Airport involved greater responsibility than at other airports. However, agreement could not be reached at national level on the re-classification which should be adopted and the commitment to the limit of 5% set by the government's pay policy was

another stumbling block in negotiations. The Trade Unions rejected a 5% pay offer and suggested that the national employers join them in an approach to Government for municipal airport employees to be treated as a special case. However, the national employers rejected this suggestion. (68)

The employers' failure to agree at national level was discussed by the Joint Consultative Committee at Manchester Airport. In order to overcome the immediate effects of the failure to agree at national level and to achieve settlement at an early date, the Authority representatives decided that an approach should be made to the Unions locally to seek support for (a) a declaration that the Authority agrees that manual workers at the airport should, subject to guarantees on productivity, receive gross earnings approximately in line with the BAA and British Airways, (b) that no action would be taken to breach pay policy, but officers should seek to get Manchester Airport treated as a "special case" on the grounds of comparability with the BAA and BA and of the airport's designation as an international gateway airport, in order to secure pay increases in excess of the 5% made to employees concerned at national level, (c) that officers should be authorised to start immediate discussions with employees regarding the introduction of self financing productivity/efficiency measures. (69) In effect, the Authority was making an attempt to settle differences independently of the national bargaining machinery and employee representatives reiterated a request for a local agreement on pay and productivity giving employees parity with BAA and BA gross earnings. It was agreed that because of the implications for the Rate Support Grant, any payments in addition to 5% would require Government approval and the employees were asked to refrain from industrial action for a period of four weeks to allow an approach to Government to be made and preparation of proposals for self financing productivity measures. (70) However, following this meeting of the JCC employees decided that in view of the failure of national negotiations, a work to rule would be instituted in support of the claim for parity of earnings with BAA/BA employees. An overtime ban with a refusal to work flexibly to cover key areas where staff were absent closed the airport for 24 hours on 21/22 January 1979; for 12 hours on 23rd; 10 hours on 24th and 24 hours on 26th/27th. (71)

In effect, this dispute was settled only temporarily by the

agreement at national level to refer claims to the Standing Commission on Pay Comparability and by the ultimate agreement by the TGWU leaders of 600 manual workers at Manchester Airport to drop the work to rule, giving the Airport Authority a month's grace to frame a "mini" local pay deal to achieve pay parity. By March 1979, ground staff employed at Manchester Airport had voted by more than ten to one to accept a self financing productivity deal which would be subsumed into any award made by the Standing Commission on Pay Comparability. The productivity deal involved reductions in manning levels which produced a saving of £750,000 resulting in additional payments of £14.40 per week in return for the lifting of many restrictive practices, including the operation of the Hi-Lo 18 and other pieces of equipment. (72) Whilst the agreement of the productivity deal secured the lifting of restrictive practices, it also eroded the differentials enjoyed by first line supervisors and as a result, a further productivity deal was agreed with first and second line supervisors yielding an additional payment of £7.40; in addition, a North West Provincial Council guideline which stated that first line supervisors should be paid a guaranteed 12½% minimum differential over manual grades was invoked. (73)

Whilst productivity measures were accepted by the majority as an interim measure to achieve parity with the BAA, pending recommendations of the Clegg Commission productivity measures were rejected by the Fire Service. Initially, the Joint Consultative Committee had agreed in March 1979 to recommend a resumption of normal working and participation in the productivity deal covering all manual workers at the airport. In order to participate in the scheme, representatives of the firemen had agreed to accept a reduction in manning levels through natural wastage, of one post on each watch, that is four firemen. Fire Officers, however, intimated that they would not accept any reduction in manning levels at officer level to secure additional payment for their members, although they would co-operate fully in discussions regarding productivity. On 1 April, a branch meeting fully rejected the proposed reductions in manning levels and resumed the work to rule until such times as the claims for additional responsibility payments for firemen and fire officers, already submitted, were resolved. The employers' position remained that claims for additional responsibility payments could only be dealt with at national level and that, as per the national pay settlement, rates of pay would be considered by the

Standing Commission on Pay Comparability. As a result of their refusal to work in accordance with contractual obligations, all 74 Fire Station personnel were suspended for three days. A meeting of the Joint Consultative Committee was called in an effort to resume normal working where employee representatives suggested that a return to work could be secured if all suspended personnel were reinstated without loss of pay; all details regarding the dispute were removed from individual personnel records; firemen remained outside the negotiated productivity scheme whilst meaningful discussions were held locally on the employees' claim for additional responsibility payments; manning levels were not reduced and all vacancies against establishment were immediately filled. The employers again refused to hold local negotiations on claims for additional payments and the dispute escalated on 6 April when the men were sent home without pay. A resumption of normal working was instituted the following day when the employees concerned conceded to await the outcome of the comparability study. Immediate action was taken to fill five vacancies against the Fire Section establishment agreed in August 1978; suspension notices were rescinded and details removed from personnel files; further discussions were to take place on the phased repayment of wages lost during the period of suspension and any disputes involving the Fire Section in the future were to be negotiated through the normal JCC machinery and NJC or National Provincial Council. (74)

At the end of the day, firemen employed at Manchester Airport decided to opt out of the productivity package which would have gone some way towards establishing parity with BAA airports and awaited the outcome of the Clegg Commission investigations. In the meantime, however, Fire Officers took issue over the guaranteed 12½% pay differential which had been awarded to other supervisors on condition that they participate in the productivity arrangements. On 7 September 1979, the 34 Fire Officers employed at the airport withdrew their labour in support of a claim to receive the same differential. For the employers, the position was clear:

"How can we unilaterally concede the guarantee to the Fire Officers when they refused to make the concessions made by other parties to the productivity package?" (75)

whilst the strikers were equally convinced that their case was

legitimate,

"We don't want the money paid out for productivity, we want the guarantee on differentials because we have always been on the same grade as other supervisors before now." (76)

As the dispute continued, airport closure meant that losses of £70,000 per day were being incurred and within ten days, the possible lay-off of airport staff was being mooted. By 21 September, losses incurred were approaching £1.6 million and a meeting of nearly 1,000 groundstaff at Manchester Airport criticised management and the 34 striking officers as "stubborn and pig-headed". (77) Under increasing pressure, the claim was referred to arbitration. ACTSS, representing the Fire Officers, argued that when staff grades for Fire Officers had been established in 1970 a differential had been created between all categories of employees at the Airport Fire Station reflecting increased duties and responsibilities. Differentials had been maintained by Fire Officers always receiving the same treatment as other staff supervisors. The Fire Officers now required the 12½% guaranteed differential in order to protect and preserve their status. The employers argued that to receive increases in pay over and above nationally prescribed rates, manual and supervisory grades had agreed to a self financing productivity scheme and that supervisors had accepted that participation in productivity measures had been a prerequisite to receiving the guaranteed minimum differential. Whilst the Fire Officers had rejected productivity measures on the basis that the proposed reductions in manning levels could affect safety standards, the Authority maintained that even with reduced manning levels the fire cover provided would continue to be beyond that required by the CAA's Licensing Regulations. In order to qualify for the guaranteed differential Fire Officers had to be subject to the same productivity and efficiency measures agreed with all other supervisors. Having weighed each case ACAS ruled that the guaranteed minimum differential had to be paid to Fire Officers from 1 November 1979. (78)

The Standing Commission on Pay Comparability which finally reported in March 1980, made recommendations to achieve pay parity which have been presented in detail in Chapter Seven. As far as Manchester Airport is concerned, however, the Standing Commission failed to provide the long term solution to the problem of pay parity which had been the centre of industrial disputes for some years. A fundamental

difficulty was that of how firemen who had rejected productivity arrangements would be treated. It should be emphasised that throughout the lengthy period of industrial disruption, firemen had refused to use any new items of equipment introduced into the service, whereas other sections had agreed the introduction of new equipment as part of the productivity arrangements. If the Airport Authority refused implementation of the Clegg award to firemen until such time as agreement was reached over the introduction of new equipment, industrial relations could worsen. If on the other hand, revised rates were paid to firemen irrespective of their refusal to use new equipment, repercussions could affect other manual workers who had agreed that when productivity payments were subsumed into the Clegg award, revised working practices would continue. Trade Union representatives had already suggested that unless similar arrangements were required of firemen at Manchester Airport as a condition of payment of the Clegg award, other manual workers would seek either removal of new working practices or payment of productivity monies in addition to the Clegg award which would result in earnings being higher than comparators. (79)

It was not within the Standing Commission's brief to address the significance of these local circumstances in achieving pay parity, neither was it the Commission's function to determine the particular grade which should be applied to manual workers at individual airports and the interpretation placed on the Clegg recommendations at other airports created anomalies at Manchester. After promulgation of the Clegg award national job descriptions had been agreed and airports had been asked to locally determine how staff could be assimilated into the grading structure in accordance with agreed job descriptions. At many of the smaller municipal airports agreement had been reached on assimilation but staff at, for example, Sunderland, Staverton, Bournemouth and other airports with limited scheduled activity had placed staff in the highest grades, although the Clegg Commission had stated that "it is probable that Grade Four jobs will be confined to a few of the other larger airports." (80)

The adoption of higher grades at smaller airports meant that employees at Manchester Airport went from being the highest paid employees in the National Agreement to being relatively low paid in comparison with staff at other municipal airports. (81)

At this juncture, it is worth noting that the failure of the Clegg Commission to address the root cause of industrial disputes at Manchester Airport, contributed towards a growing awareness on the part of airport management of the inability of national negotiating structures to adequately reflect the particular circumstances applying at Manchester Airport - which operated at a scale which was not encountered at other municipal airports. Management also became more conscious of the difficulties of integrating what had become primarily a commercial trading organisation with the needs of a local authority in general. In assessing the position in respect of national negotiations, airport management recognised that there were certain advantages accruing from this arrangement. For example, national negotiations offered a degree of "protection" on certain matters which were the subject of national negotiation. Whilst Trade Unions accepted that certain elements of pay and conditions of service were subject to national agreement and, therefore, could not be varied locally, the institution of a local agreement carried with it the danger that employees' representatives would consider all issues to be negotiable. Similarly, management also expressed an awareness that under a system of local pay negotiations employees' representatives might seek only to achieve a greater distribution of Manchester International Airport Authority's profits to the work force and in countering this it was argued that there was a need to ensure that any pay increases beyond those negotiated nationally were justified by increased productivity, revised working practices, etc, rather than merely based upon profit share. It was appreciated that if a local pay agreement was concluded for any group of workers, there could be repercussions in the form of requests for extension to any MIA employees excluded, to other local authority employees, especially those employed by the two parent authorities and to other municipal airports. Finally, the airport would lose the services of the Employers' Secretariat of the NJC which acted as a management resource, providing information relevant to the determination of pay levels in other sectors of the economy, advice on conditions, facilities for the resolution of disputes, etc. (82)

Whilst being aware of these disadvantages of negotiating locally, the general trend within the airport management was nevertheless to support fundamental rather than piecemeal change. Increasing dissatisfaction was expressed regarding Manchester's relative position

within the MAP. The Panel was constituted on the basis of one voting representative from each of the 19 municipal airports and Manchester had identical representation although it employed 50% of the total work force covered by the Panel; five airports within the Panel which individually employed less than 1% of MAP employees had equal voting rights. Apart from employment, Manchester was also in the position of making substantial profits whilst most of the other airports within the machinery operated at a loss; Manchester also fell into a unique category in terms of its operational traffic, income, expenditure and capital investment. Delays in promulgating annual pay settlements had arisen, as smaller airports in pay negotiations often claimed that they could not afford pay increases; industrial action had taken place at Manchester Airport because of the delays in reaching national pay agreements. (83) National agreements were increasingly regarded as a straightjacket preventing the ability to use the vehicle of increased pay to achieve changes in working practices. Although local discussions in this respect could be initiated at any time, the cycle of annual pay awards tended to create opposition to securing changes locally. Given the improvement in industrial relations essential to future prosperity, it was argued that MIAA needed greater control over the pay and conditions of employees in order to utilise manpower, maximise productivity and respond to manpower problems in a positive way. Whilst the Municipal Airports Panel was reluctant to move away from local authority conditions of service and to adopt conditions better suited to a commercial organisation employing large numbers of shift workers, the airport management at Manchester demanded a system of shift payment which more nearly reflected the degree of unsociability of a particular shift, rather than the rotating system which failed to differentiate between a Monday day shift, a Friday late shift and a Sunday night shift. (84)

In terms of local authority labour structures, airport management increasingly rejected a system of national conditions which was geared towards the majority of local authority employees who work on a Monday to Friday basis, and in terms of shift payments and sickness allowances, did not meet the needs of an organisation where the majority of staff worked "around the clock". Although the Greater Manchester County and the Manchester City Council, the two parent authorities from 1974, were generally committed to the principle of

national agreements for Local Authority staffs, the need to improve industrial relations at the airport justified consideration of the possibility of local agreements. It was increasingly felt that the difficulties arising at the airport largely originated from the inability to reconcile the needs of a commercial trading organisation, committed to growth and expansion with the needs of other local authority employees. Local authority negotiators could not reconcile the process of expansion at Manchester Airport with the needs of the majority of local authorities faced with problems of manpower constraints and cash limits. (85)

In general then airport management came to increasingly support the notion of local pay bargaining on the grounds that the authority could negotiate an agreement on pay and conditions directly related to and more relevant to its own needs allowing for the creation of locally determined differential structures; the introduction of procedural agreements; changes to productivity schemes and working arrangements and changes to sickness schemes and other conditions of service, which it was almost impossible to negotiate given the inflexibility inherent in the national bargaining arrangements. Although a local pay agreement might involve increased wage costs, it was argued that the benefits of such an arrangement would outweigh these costs. (86)

Finally, in considering this survey of the course of industrial relations between employers and manual workers at Manchester Airport, it is clear that the dissatisfaction with national negotiating structures and the inability to cope with local issues is reflective of the inadequacies of such a system of industrial relations across the board. Richardson has pointed out that the main considerations in wage negotiations are the capacity of the industry to pay, the relation between the wages of the workers concerned and those paid to other workers, including workers in other occupations and other industries and finally the workers' standard of living. (87) It appears that in respect of manual workers at Manchester Airport, the first two factors have been most influential but negotiating structures have failed to be responsive to these criteria.

Primarily, the centralisation of negotiating arrangements seeks to determine basic pay and conditions with interpretative issues settled locally within the overall framework of the main agreements, thereby facilitating uniformity of wage rates, movements and employment

conditions across the board for similar jobs. This should provide the means of ensuring a stable relationship between the pay and conditions of various groups of workers thus minimising the likelihood of parity claims. (88) However, this has not been the case at Manchester Airport because, as far as the work force is concerned, they have constantly regarded themselves as being a distinct group with needs which are not reflected amongst the rest of the work force covered by the MAP agreement but are more akin to groups of airport workers elsewhere.

The course of industrial relations has also reflected the problems inherent in the application of industry-wide agreements to larger enterprises where it is more difficult to accommodate the varied requirements of differing technologies, product and labour markets. (89) As large companies tend to be innovators, they are often in special need of negotiating arrangements linking improvements in pay with improvements in methods of operation. Many may be pacemakers in pay and the problems which arise from the gap between industry-wide rates and actual earnings are, therefore, especially acute for them. (90) In essence, the experience at Manchester reflects the adverse effect in industry wide agreements which arises from the frequently wide variation in the prosperity of firms within a single industry, where some might be able to pay wages 20 - 50% higher than less efficient competitors. (91)

Gill has pointed out that if a grievance or dispute is not settled at a particular level, it can escalate unnecessarily. By the time the grievance has reached the highest level of procedure, frustration and discontent will have festered as a result of delay and "buck passing" and this again certainly seems to have been the case at Manchester Airport. The slowness of national negotiations and the centralisation of decision making with its accompanying lack of consultation has also been a source of discontent. The experience at Manchester Airport reflects a dissatisfaction with a machinery which has appeared bureaucratic and insensitive to those it serves with the accountability of negotiators to constituents by necessity being severely limited. Basically, the Union's rank and file has been increasingly dissatisfied with centralised bargaining based on the perception that collective bargaining can only be satisfactorily attained if it is locally based. The whole concept of the national negotiation of conditions has been continually questioned by the work force and dissatisfaction has been

heightened by the inability of the NJC to keep abreast of local problems arising out of the variety of local, social and economic conditions.

Finally, industrial relations regarding MAP employees at Manchester Airport has reflected other fundamental weaknesses in national negotiations. Richardson has maintained that if employers and workers meet in conference only when differences have arisen between them, they always meet in an atmosphere of controversy or conflict. (92) With centralised bargaining at Manchester Airport, it has been difficult to maintain effective lines of communication at the local level and instead of developing positive industrial relations policies, there has developed a tendency to rely almost entirely on expediency, reaction to union pressure, and the adoption of a defensive posture.

Whilst it is clear that the course of industrial relations between employers and manual workers at Manchester Airport may have been influenced by the difficulties inherent in national negotiating and bargaining arrangements, it is equally apparent that the situation has been exacerbated by the municipal ownership of a profitable commercial trading undertaking. In contrast to other local authority establishments, the existence of a relatively large body of manual workers employed on a single site has been significant in the course of industrial relations at the Airport. Coupled with this has been the influence of small groups of strategic workers wielding substantial industrial muscle capable of halting airport operation altogether.

Whilst manual workers have generally regarded themselves as having more in common with airport workers employed under different ownership structures, the initial response of the Corporation was to attempt to integrate this body of workers more firmly with Local Government structures by the establishment of a dedicated national negotiating body, the Municipal Airports Panel. However, as Manchester Airport drew closer towards its municipal counterparts in the aviation field, the operational differences resulting from the difference in scale of activity became even more apparent. Ultimately, the link with the Local Government Service in general and the identity with other municipal airports was rejected by Unions and airport management alike, as it became clear that the operational needs of Manchester Airport could not be catered for under existing arrangements.

8.3 COLLECTIVE BARGAINING AND STAFF EMPLOYEES

In Chapter Seven it was pointed out that since 1946, staff posts in the Local Government Service have been conditioned to national agreements which provide flexibility at the local level in terms of determining the grade for the job. Staff employed at Manchester Airport have generally been subsumed into these arrangements. At the outset, it should be noted that in contrast to the body of manual workers, no evidence exists to suggest the incidence of industrial unrest among staff employees at the Airport throughout its history. It may be contended that this reflects the lack of industrial power wielded by this body of employees, a characteristic which cuts across the Local Government Service. In essence, industrial action on the part of, for example, social workers or teachers cannot directly impact upon the employer, it can only influence the employer through a process of heightening public awareness and influencing public opinion. If such employees are to directly affect the employer, they require the support of other workers in unrelated fields of endeavour. For example, action on the part of employees engaged in the collection of an authority's income from local sources can potentially create havoc for the employing authority.

In contrast, the employees of a municipal airport form an independent and cohesive group which tend to mirror the broad base of local authority service departments, rather than the restricted and very specialist nature of functional departments. Action on the part of employees administering the process of development could cause that process to grind to a halt purely by refusing to issue contracts; employees engaged in the collection of charges could have a direct impact on airport finances, etc. Thus it is suggested that the absence of industrial unrest has not been a reflection of a lack of bargaining power.

In considering industrial relations between employers and staff graded employees at the airport, it is significant that in determining the grading of posts over time in order to recruit and retain staff sufficient to accommodate growth and development, frequently the employing committee and the employee have often been in full agreement as to the appropriateness of the grade. In contrast to the position between employer and manual worker, on the staff side harmony has existed between the immediate employer and the worker whilst conflict

has arisen between employing committee and the Establishment Committee. As suggested in Chapter Seven, the role of the Establishment Committee has generally been one of discharging the staffing function on behalf of the local authority as a whole weighing the competing demands of employing departments. An employing committee which is experiencing difficulty in recruiting and retaining employees in staff grades may conclude that the solution lies in the re-grading of posts and, therefore, may be determined in its support of an individual employee's application for re-grading and in contesting the decisions of the Establishment Committee.

In line with general local government practice, and in common with other employing committees, the establishment of the Airport Committee of the Manchester Corporation has been subjected to periodic review (usually every three years). Between reviews, individual applications for re-grading have been considered along with claims en-bloc relating to particular groups of staff, especially junior supervisory posts in operational sections. Given that Manchester Airport has had to compete for labour in a specialist market which extends beyond the bounds of Local Government practice and that the grading of posts is fundamental to the determination of rates of pay for staff, it will be useful to examine the criteria which the Airport Committee has applied in determining the grading of posts under review and the extent to which such criteria have reflected an awareness of the rates of pay applying at other comparable airports. In considering these aspects, it is also important to address the extent to which the Establishment Committee of the Corporation has recognised the importance of recruiting and retaining staff to cater for the demands of the process of growth and development of the Airport envisaged by the Airport Committee.

One of the major criteria for determining the grading of staff posts at the Airport has been the general criterion which applies across the board in the Local Government Service, that of increased duties and responsibilities. However, evidence suggests that other factors such as the maintenance of internal relativities and an awareness of rates of pay applying at other airports have been significant, at least for the employing committee. Claims for recognition of increased duties and responsibilities have largely been based upon the impact of the process of growth and development on the nature of tasks in different areas of activity related to the airport's administration and

operation. One consequence of the process of growth and development has been the expansion of the volume of work at different levels within the organisation. This absolute expansion of work has called forth the need to adjust existing systems and procedures and staff may be rewarded for their contribution in this respect. In the highest echelons reward may be based upon success in achieving broad objectives. However, a process of delegation of duties and responsibilities has similarly altered the fundamental characteristics of many activities performed throughout the hierarchy, from senior management level to the lower ranks of administrative and supervisory posts. In Part II full and detailed consideration was given to the process of organisational change encompassing the expansion of functions, the re-organisation of departments and the emergence of new specialisms. Here it is intended to highlight the way in which this process of growth and development has translated into increased and more complex duties and responsibilities for staff and claims for increased remuneration. Evidence will be cited to suggest the positive way in which such claims have been viewed by elected members responsible for policy making in respect of the Airport.

In the late 1950s, the salary of the Airport Director was reviewed by the Chair and the Deputy of the Airport Committee based on the effect of the accelerated development of air traffic, services and runway works on the workload of the post. However, the review also sought to reward the Director for the change in the fortunes of the Airport since the appointment was made in the early 1950s. The Airport Committee recognised the need to improve the Airport Director's salary in recognition of the work which had discovered weaknesses in the operational and administrative functions and had arrested a continuing disparagement between expenditure and revenue, by the introduction of new forms of revenue from advertising; by the revision of the terms of various contracts with other organisations involved in the operation of the airport and by revising the charges applying for services discharged by the Airport Committee. (93)

As the Airport Director became more involved in matters of airport development in the 1950s and 1960s, so claims for re-grading the post of his Assistant were based in part upon the delegation of managerial and financial responsibility. The process of growth and development and the increasing importance of Manchester within the UK airport

system resulted in a greater volume of administrative work and responsibility for a much larger body of employees. In the 1950s, this increase in staff from 178 in 1954 to 275 permanent plus 70 temporary staff in 1959 figured as a fundamental argument put forward by the Airport Committee to secure a re-grading of this post. Further it was argued that with the opening of the new terminal building in 1962, the difficulties of administering the Airport had increased with the introduction of more facilities and services. In particular much work was involved in the letting and operation of concessions and the provision of services to tenants in the building. The expansion of operational facilities and the increase in traffic (especially the burgeoning development of freight traffic) had a similar effect in later years. (94)

As the development of concessions and tenancies and the recruitment of additional staff increased the workload of administrative staffs in the lower ranks new systems and new methods of administrative procedures were introduced again forming the basis of re-grading claims for senior staff in administration. (95) Within the accounting function, it was argued that the increasing importance of the concession areas in the new terminal building had introduced a new requirement for the detailed study of tenders and analysis of the volume of trade by concessionaires, in order to assess their future prospects. The increase in direct works on behalf of tenants and the expansion of capital works required more detailed study of estimates and the keeping of more comprehensive records regarding work and materials supplied. Similarly, with the increase in the number of vehicles and larger items of plant and equipment purchased annually, more effort was devoted to the process of quotation and tendering and as more contracts for goods and services were made, a greater volume of correspondence had to be dealt with. (96)

Lower down the hierarchy the increase in activities, with more aircraft movements, passengers and freight passing through the airport translated into claims for re-grading for those employed in recovering income based upon an expanding volume of work, although it was also considered that the complexity of work had increased with the introduction of new and more complex scales of charges as new types of aircraft began to operate through the airport. (97) Increased expenditure on goods and services increased the workload of those

employed in raising orders and making payments and the recruitment of additional staff resulted in a large volume of work records. Here again, the increased complexity of work formed a basis for re-grading; by 1961 those involved in the payment of wages had to work to nine different sets of conditions of service. (98)

Staff in operational areas of activity have similarly been conscious of the impact of the process of growth and development on the nature of their work. For example, across the maintenance function the constant growth of plant and the installation of additional equipment in new buildings, the extension of technical facilities, the development of runways and taxiways, the use of more vehicles on site and the attendant increase in employees to discharge the maintenance function have been cited as justification for re-grading of staff posts throughout the period of the airport's development. (99)

Although increased duties and responsibilities has formed the fundamental criterion for determining the grading of staff posts at Manchester Airport, the Airport Committee has over the years also argued for re-grading based on the maintenance of internal relativities. Basically, this criterion has tended to apply more to supervisory posts within operational areas where large bodies of manual or craft graded workers have been supervised. As the wages and working conditions of supervisory posts have been determined by a different negotiating body to those which determine the conditions and pay of manual employees and craftsmen, it has been necessary to consider adjustment of grading to take account of increases paid to manual and craft workers to ensure that anomalies are minimised. In essence, if sufficient differentials to give incentives for promotion are not maintained, difficulties may be experienced in recruiting supervisory staff. In establishing and maintaining differentials, it has been necessary to take account of the fact that Miscellaneous Graded supervisory posts have not received the shift payments and other enhancements which have been paid to manual workers supervised. (100)

At this juncture, it should also be noted that although the maintenance of differentials has not been an explicit factor in determining the grading of other staff posts, any adjustment of differentials for junior and senior supervisory posts may have the effect of eroding differentials for administrative and accounting staffs as well as heads of department so gradings at these levels may similarly be affected,

though in an indirect way. (101)

Primarily, the problem of the maintenance of differentials has arisen mainly in the portering/apron services area of activity which constitutes the largest concentration of manual workers in operational departments, as shown in Appendix 8.15, although evidence also suggests difficulties in respect of maintenance, fire and police services. Largely, the increases in pay awarded to manual workers at Manchester Airport from 1957, arising out of the adoption of rates applicable at Ministry controlled airports were the origin of many anomalies arising from that time. In 1958, porters and marshallers were conditioned to a 44 hour week, but worked a 49 hour week with five hours rostered overtime. Average earnings per year in apron services after four years were £716 for porters, £744 for assistant chargehands and £761 for chargehands. At the senior supervisory level, one Senior Airport Foreman received £795, one Airport Foreman received £724 and another two Airport Foremen received £678 for the same 49 hour week. Thus with the adoption of Ministry scales for manual workers an anomaly had immediately arisen with airport foremen earning less than chargehands, assistant chargehands and marshallers and the Senior Foreman receiving only £34 per annum more than chargehands. (102) By the early 1960s, the differential between the senior supervisory level, (by then designated Airport Duty Officers) and the manual workers supervised in the Apron Services section had been almost completely wiped out. Porters were conditioned to a 42 hour week but worked a minimum of 48 hours with six hours rostered overtime. Their immediate supervisors designated Marshallers Supervisors, Assistant Supervisors and Full Supervisors who were also employed on manual grades earned on average between £902 and £968 per annum after four years service. In comparison, Airport Duty Officers who were employed on Miscellaneous Grades and worked a 49½ hour rostered week received annual earnings of £944. (103) In both instances, it had been necessary to re-grade senior supervisory posts in order to maintain differentials. However, by 1968, the increases in pay awarded to manual workers had further eroded differentials between them and their supervisors significantly reducing the incentives for promotion and, as a result, the Airport Committee had to recommend the up-grading of posts by two grades to maintain differentials. (104)

Similarly, in the maintenance section by the early 1960s, there was

practically no differential between earnings of three Assistant Station Engineers and the wages of senior subordinate staff, again giving little incentive to bear the heavy responsibility of controlling important sections of mechanical and electrical maintenance work and co-ordinating the work of a large body of manual workers. (105) At the same time differentials between Foreman Electricians and Foreman Fitters, (second tier supervisors employed on Miscellaneous Grades) and chargehands (who were first tier supervisors) were being eroded largely by the increases in lead payments made to chargehands. By January 1968 differences in wages were as follows:-

<u>Designation</u>	<u>Gross Wage for a 44 Hour Week</u>
Foreman Fitter/Electrician (Days)	£24.13.0
Chargehand Electrician (Days)	£24.2.9
Chargehand Fitter (Days)	£24.0.2

In this case, the real differential was reduced to only 2s 3d by the fact that foremen received only their basic wage when on sick or annual leave and single time for working on public holidays whereas chargehands received their normal working week's wage and double time for working on public holidays. (106)

As a result of increases paid to firemen with the adoption of Ministry rates from 1957 to 1963 the differentials between firemen and their section leaders, who had been conditioned to Miscellaneous Grades from 1961 had been eroded. Average earnings per annum for a 48 hour week stood at £1,028 for a Section Leader, £980 for a Leading Fireman and £948 for a Senior Fireman. In an effort to redress the balance Section Leaders eventually sought premium payments for weekend working and duty on public holidays, but like their counterparts in apron services were recommended for an increase of two grades in 1968. (107) In the Manchester Airport Constabulary similar anomalies arose when the senior post of Inspector was transferred to Miscellaneous Grades in the late 1950s whilst constables and sergeants remained on Civil Aviation Constabulary rates of pay. A salary review in the Civil Aviation Constabulary in 1960 resulted in the following rates of pay being applied to sergeants and constables in the Manchester Airport force:-

Sergeants - after two years service	£900 per annum
Sergeants - on promotion	£840 per annum
Constables - after seven years service	£725 per annum
Constables - on entry to the service	£550 per annum

Prior to this review, the basic pay of the Police Inspector had been £138 per year more than that of a senior sergeant, however, after the review the basic pay of sergeants was £20 more than that of the Police Inspector. (108) The scope for anomalies was later reduced by the transfer of sergeants to Miscellaneous Grades, but whilst Police Constables at Manchester Airport remained on Civil Aviation Constabulary rates internal relativities remained difficult to maintain and in 1968 it was necessary to re-grade sergeants by two grades to maintain differentials. (109)

A number of fundamental points arise out of this consideration of re-gradings based on the maintenance of internal differentials which highlight the reasoning behind the Corporation's desire to avoid any explicit link between the pay of manual workers at Manchester Airport and those employed at Ministry/BAA controlled airports. In the earlier consideration of industrial relations between manual workers and the employer it was pointed out that a significant contributory factor in the rejection of any parity with other airports had been the impact which might be felt in other areas of manual work throughout the Corporation. However, it is clear from the foregoing that the adoption of higher rates of pay applied to manual workers at other airports outside Local Government control could have the effect of creating uncontrollable anomalies between manual and staff graded posts. The structure of nationally set pay scales with grades being determined by local demand and supply conditions could thus have been undermined. The very flexibility inherent in the structure of determining the rate for the job could have provided the mechanism for increasing labour costs across the board at Manchester Airport. Ultimately, if in the long term airport workers had not been more firmly integrated with the general body of Local Government workers, the continued up-grading of posts at Manchester Airport to eliminate anomalies could have resulted in claims based upon the maintenance of internal relativities across the broadly based body of administrative staff performing similar tasks within the authority.

However, it is important to note that whilst the avoidance of anomalies may have been a primary consideration in certain specialist areas of activity where the scope for comparison with other activities in the Local Government Service was limited and in other areas where functions which had previously been discharged by the Ministry were

taken over by the Airport, there had been little alternative than to adopt Ministry practice. For example, the Corporation had taken over the responsibility for airport policing from the Ministry Constabulary in 1954 and in transferring employees, all ranks up to the highest level of Senior Constabulary Officer had been graded in accordance with scales agreed between the Ministry of Transport and Civil Aviation and the Federal Council of Departmental Police Associations. Steps to assimilate these posts into the Local Government Service had proceeded with the initial transfer of the Senior Constabulary Officer to Corporation Miscellaneous scales. In the late 1960s, the transition was completed when sergeants and constables transferred to Miscellaneous scales. In 1967 the British Airports Authority adopted Civil Police rates and from 1 October 1970 police constables and sergeants employed at Manchester Airport were similarly conditioned to national police rates. (110) On the face of it, this may be interpreted as Manchester Airport falling into line with its BAA counterparts, but in reality, the BAA had fallen in line with the practice adopted by local forces under local authority control, giving the opportunity for general local government practice to be adopted at Manchester Airport.

A similar process of transition had applied in the provision of Fire Services at the Airport. In the 1950s Section Leaders had been conditioned to National Scales for Aerodrome Fire Service Officers agreed between the Ministry of Transport and Civil Aviation and the National Association of Fire Officers. When in 1956 the MTCA Fire Service had been awarded staff rates, Section Leaders at Manchester Airport were regraded on the appropriate MTCA salary scales and conditions. However, in common with the Manchester Airport Constabulary in the later 1950s and early 1960s, these posts were transferred to Miscellaneous scales and conditions of service. (111)

In essence then the trend towards the adoption of Local Government scales and conditions of service in respect of senior posts at Manchester Airport reflected a perceived need to avoid anomalies which might be created by the continued adoption of Ministry terms and conditions. However, it also reflected the desire on the part of the Corporation to break the link with Ministry practice as a result of the Ministry's decision to adopt the recommendations of the NJCCAT in respect of manual workers which would have immediately increased labour

costs. Whilst the assimilation of manual grades had been seen to require the establishment of special negotiating arrangements for manual workers within the framework of the NJC for Local Authorities' Services (Manual Workers) staff posts could be readily absorbed into existing structures applying to Chief Officers and administrative, professional and technical staff.

It is interesting to note that whilst the employers generally sought to establish and maintain continuity with the Local Government Service in general, evidence exists to support the notion that the Airport Committee was aware of the fact that in seeking to recruit and retain staff, it was in competition with other airports in the general civil aviation network. When difficulties have been experienced in recruitment and retention of staff at grades determined by the Establishment Committee, the employing committee has been quick to reference the rates of pay applying at other airports, (especially in respect of senior posts), in defence of the re-grading of posts. In general, in this respect the fact that senior staff at Manchester Airport have not benefitted from the support of a centrally based administrative machine has been emphasised.

In 1953 the Airport Committee considered the appointment of an Airport Manager and in determining the recommended grade for the post, the Airport Committee were mindful of their general objective at that time which was to develop the Ringway Airport into the second largest airport in the country. In attempting to attract candidates of the highest qualifications and abilities the rates of pay applying to Commandants at the larger Ministry of Civil Aviation airports were examined. At the time, Commandants received a salary of £1,950 at London, £1,825 at Northolt, £1,650 at Prestwick and £1,475 at Nutts Corner. Given the Airport Committee's objectives in terms of airport development Northolt was deemed to be the appropriate comparator, thus the Airport Committee recommended that Grade H (£1,650 - £1,900) of the JNC for Chief Officers scales should be adopted. However, the Establishment Committee of the Corporation maintained that JNC Grade F (£1,350 - £1,600) was commensurate with the duties and responsibilities of the post. (112) In all some 50 applications for employment were received at this grade but although four candidates were short-listed, none were interviewed as the Airport Committee were of the opinion that all of the candidates failed to fulfill the standard of experience and

qualifications required. Thus the post was ultimately filled at the originally recommended Grade H. (113) In a review of the Airport Director's salary in 1958, the Airport Committee emphasised that all decisions taken by the Director regarding runways, aprons, airfield lighting, baggage and freight handling, Customs, Air Traffic Control and Air Regulations, telecommunications, accommodation, etc, were normally covered by several departments of various Ministries at aerodromes under MTCA control. (114) Six years later, comparison was made with the maximum salaries applying at Birmingham and Liverpool Airports and it was stressed that these airports were not as advanced as Manchester; they were not operating on a 24 hour basis and they were supporting very heavy rate deficits in contrast to Manchester. (115) An increase in salary in 1972 was justified on the basis of comparison with Glasgow Airport which constituted the nearest comparator to Manchester in terms of scale of activity, although its traffic throughput was predominantly domestic in nature. (116)

In September 1951 the Chief Officer of the Manchester Fire Brigade advised that given the strength of the Ringway Airport Fire Brigade, the operational responsibility involved and the maintenance of discipline and efficiency justified the appointment of an Airport Fire Officer continuously available at the airport. In determining the initial grade for the post at Miscellaneous IV/V, MCA standards had been applied. (117) However, no suitable candidate could be found out of 41 applications at this grade. By March 1952, no appointment had been made and Fire Officers at Grade II airports under Ministry of Civil Aviation control had received a Civil Service pay award of 10% on the first £500 and 5% thereafter so the post at Manchester was re-graded to Miscellaneous V/VI (£455/£560) to reflect this. However, the Airport Committee contended that the post of Airport Fire Officer was at least equivalent to the post of Station Officer in the City Fire Brigade who received a salary of £590 - £640 equivalent to the NJC Scales Grade of APT VA because the Fire Officer at Manchester was an autonomous Fire Brigade Chief Officer unlike the Ministry officers who had recourse to a divisional or central headquarters for advice and assistance. Similarly, the post at Manchester was not subject to the general supervision or direction of these authorities. (118) Details of the Ministry of Aviation Fire Service Establishment which supported staff at individual airports in 1963 are given in Appendix 8.12.

In the 1950s difficulties were also experienced in recruiting to the senior post of Maintenance Engineer. Four candidates out of a total of 90 applicants were interviewed but again all were rejected. After subsequent interviews a candidate was selected but withdrew his acceptance. In this instance the Chair and Deputy of the Airport Committee argued that the salary applied to the post had not been high enough in view of the late duty requirements and, therefore, recommended re-grading. (119) In order to retain staff in later years, on a number of occasions comparison with the organisation at the larger Ministry of Civil Aviation airports was made to secure salary increases. Emphasis was placed on the many functions which were carried out by this senior post in the maintenance section at Manchester which tended to be allocated to several specialist officers at Ministry airports, again supported by a divisional/HQ staff. An additional responsibility applying to the senior post at Manchester was motor transport - at Ministry airports a separate motor transport officer was employed. (120)

In the specialist field of operations, the requirements of the post of Operations Officer created in the 1960s, which included the holding of a civil flying qualification, air crew experience and administrative experience in the national and international regulations of civil aviation effectively restricted the field of potential recruitment to the ranks of Operations Officers employed by the Ministry, initially the post was graded on the basis of the Ministry's Operations Officer Grade I, but with the growth in air traffic experienced at Manchester a wider field of comparison was addressed. Salaries applying at that time, at other airports were again taken as the yardstick for grading and information taken into account is provided in Appendix 8.13.

The salary recommended for the senior post of Assistant Airport Director (Operations) at Manchester Airport was £2,345 - higher than the commencing salary of the Commandant at Prestwick which was deemed to be the comparable post - to take account of the greater volume of traffic passing through Manchester. (121)

Finally, evidence exists to support an awareness of salaries applying at the senior levels in the administrative as well as operational fields. For example, in support of re-grading claims which had been rejected by the Establishment Committee in 1958 in an attempt to achieve increased salaries for various posts, the Airport Director

submitted the information to the Establishment Committee in 1960, as provided in Apendix 8.13.

In assessing the way in which claims for re-grading have been viewed by assessors, it may be concluded that, in general, the Airport Committee has accepted and indeed supported the recommendations of its senior officer, the Airport Manager or Director. However, the Establishment Committee viewing the staffing function from an authority-wide perspective has not always been fully convinced of the validity of the Airport Committee's demands on resources. A general survey of Establishment Committee minutes reveals that so far as claims for maintaining internal relativities in the operational field of endeavour are concerned, the Establishment Committee has usually accepted the recommendations of the employing committee. (122) However, in the more subjective area of claims based on increased duties and responsibilities evidence suggests that recommendations of the Airport Committee have been modified especially in respect of senior posts in the administrative field where claims for increases of more than one grade have been lodged. Basically, in this respect, the Establishment Committee has remained unconvinced that additional duties and responsibilities warrant the grade proposed. Fundamental difficulties emerge in attempting to identify the progress of individual posts through time as the process of growth and development had been accompanied by constant re-organisation with new posts being added to the airport structure and the nature of existing posts being modified. Similarly, the national scales and grading scheme itself has evolved with gradings being restructured and relativities being changed. However, it is possible to identify some illuminating instances where Airport Committee recommendations have been rejected and ultimately claims have proceeded to the appeals machinery.

In 1959, the Airport Committee recommended the re-grading of the post of Assistant Airport Director from JNC Grade A to JNC D. The Establishment Committee recommended no change in the existing grade so the case proceeded to appeal in April 1961 when the post was up-graded to JNC B. In a subsequent review of the Airport Committee's establishment in 1963, a re-grading to JNC E was recommended by the Airport Committee and, on this occasion, the Establishment Committee awarded JNC C. This claim was also taken to appeal a year later when JNC D was awarded. The Grade of JNC E recommended in the 1963 review

was finally awarded in a review of establishment in 1965, but it is significant that in effect, it had taken five years to achieve the grading originally recommended by the Airport Committee in 1959. (123)

The post of Chief Administrative Assistant was likewise recommended for a re-grading from APT III to APT IV in 1959, but the Establishment Committee recommended no change. A year later, the Airport Committee re-submitted this claim to the Establishment Committee but revised the proposed grading to that of APT V. Under continued pressure from the Airport Committee the post was re-graded to the originally proposed APT IV. Two years later, the grade of APT V claimed in 1960 was also awarded, but again in the subsequent review of establishment in 1963, a claim for re-grading from APT V to JNC C and re-designation to Airport Chief Administrative and Planning Officer was revised to JNC A and a re-designation to Airport Administrative Officer. On appeal the ruling of the Establishment Committee was confirmed. Similar delays have occurred in relation to junior posts. In 1959 it was proposed that two posts of Junior Administrative Assistant be re-graded from APT I to APT II, this proposal being rejected in March 1960, the claim was revised to APT III and a redesignation of post to Administrative Assistant. However, no change was again recommended and the re-grading originally recommended in 1959 did not come to fruition until the subsequent review of establishment in 1963. (124) In the accounting sphere a similar trend may be identified. A recommended re-grading of the post of Chief Accounting Assistant to APT IV was rejected by the Establishment Committee in 1959, although under pressure it was awarded a year later. A subsequent claim for re-grading to JNC C and re-designation to Airport Finance Officer was modified by the Establishment Committee to JNC A. However, on appeal, this officer, unlike his counterpart in administration, was awarded JNC A. Similarly, the junior posts in the accounting field had received different treatment from their counterparts in administration. A claim for re-grading of two posts of Accounting Assistant from APT I to APT II was considered by the Establishment Committee in 1959 and a re-grading to Clerical III was awarded which was subsequently confirmed in an appeal heard on 27 April 1964. However, following re-submission of the claim to the Establishment Committee in June 1961, the grade of APT II was accepted. (125)

Clearly, the machinery governing the determination of grades in the

Manchester Corporation was used extensively in order to achieve equitable rewards in the administrative and accounting domains and evidence supports a similar use of the appeals machinery in respect of senior posts in the operational areas of Maintenance, Fire Services, Portering, etc. Claims lodged by senior members of the maintenance section in 1963 requested re-grading of one Assistant Station Engineer (Electrical) from Miscellaneous X to XI; re-grading of another Assistant to Miscellaneous XII and re-designation to Assistant Airport Engineer and re-grading of an Assistant Station Engineer (Mechanical) to Miscellaneous XI. The Establishment Committee allowed only the re-grading and re-designation of the one post in Electrical and awarded Miscellaneous XI in lieu of XII. However, on appeal in November 1964, all these re-gradings were allowed. (126) In the Fire Service, a claim for re-grading the Chief Fire Officer from APT III to APT IV was initially rejected by the Establishment Committee, but was awarded in 1960 under continued pressure from the Airport Committee. A claim for re-grading from APT IV to JNC C in 1963 was reduced to APT V and a subsequent claim for the same proposed grading was reduced to JNC B in 1965.

These examples serve to support the contention that in exercising a responsibility to recruit and retain staff of a particular calibre and expertise, the Airport Committee had not been constrained by the Establishment Committee. In this sense, the employing committee and individual employees have addressed a common interest in promoting growth and development against the priorities of a committee which must weigh these demands in the context of the responsibilities falling to the authority as a whole. The Airport Committee supported by the Airport Director, continually mounted a substantial defence of the claims of employees in this respect. In the light of the foregoing, it is apparent that the late 1950s represented a period when the Establishment Committee were generally unwilling to yield to what they may have regarded as excessive demands. However, the immediate employers willingly registered their dissatisfaction with the status quo. Ostensibly, the objective of the review of the authority's establishment in the late 1950s had been to address the difficulties of retaining and recruiting staff equipped by ability and experience to assume greater responsibilities as intimated in the Establishment Committee Circular 927 of 13 May 1958. It had been suggested that

special consideration would be given to those posts carrying the greater responsibility. However, the Airport Committee maintained that the Establishment Committee had failed in this respect and that whilst the recommendations regarding junior staff had tended to be accepted, those relating to senior posts had been rejected. (127) By the turn of the decade, the Airport Committee argued that the resignation of the Accounting Assistant from the Airport in favour of a more highly graded post in the Surveyor's Department was a consequence of the lack of action on the part of the Establishment Committee and that for the same reason there was a possibility of losing the Chief Administrative Assistant to a more highly graded post in the Surveyor's Department of the City of Bradford. In general in support of re-gradings it was argued that the state of the airport's finances derived from having a small but competent staff and if the Committee was unable to retain staff, the progress of the planning of the new terminal building, essential to the airport's development, would be retarded. The Airport Director contended that in the short space of time since the Establishment Committee review the workload of the Department had expanded,

" . . . Indeed it is still expanding at such a rate that it will be quite impossible to keep a pace with the urgent extra work and problems which are now arising, unless the gradings are adequate to retain existing staff and recruit suitably qualified replacement and additional staff." (128)

Much emphasis was placed on the way in which the recommendations of the Establishment Committee had served to erode differentials at the senior level creating anomalies in the grading structure. Prior to the 1959 review, the differential between the Assistant Airport Director and his senior officers had been £300 or 29.27%. As a consequence of the review, this differential had been reduced to £15 or 1.09%. The subsequent award of JNC B had increased the differential to £110 or 8.0% whereas the original recommendation of the Airport Committee of JNC D would have maintained a differential of £380 or 27.64%. (129)

In the 1960s, expansion of the airport similarly called for the formulation of development plans bearing heavily on senior officers and section heads and this development of policy could not be delegated nor the demands created by it solved by the recruitment of more staff. The need to retain existing staff was therefore regarded as crucial to the airport's future. The Airport Committee thus increasingly placed

emphasis on the need to view re-gradings against the background of the airport being a successful trading undertaking making substantial contributions to the Rate and of the extensive capital schemes which needed to be completed within a few years. It was argued that if senior staff sought employment with other airport authorities the consequences at Manchester in the crucial stage of development would be serious. Given the specialist nature of duties in civil aviation it would be difficult to obtain suitably qualified staff to take over from any senior officers going elsewhere. (130)

The crucial point regarding the employee under this regime is that whilst they may feel aggrieved at having recommendations for re-gradings rejected in many instances this has been tempered by the award of some additional payment in the form of movement to the next highest grade. This in itself has acted as a stop-gap. Ultimately, the appeals machinery has offered the prospect of achieving what employees may regard as a just reward for their individual labours, although just recognition may be delayed by the operation of the bureaucratic machine.

8.4 CONCLUSIONS

The course of industrial relations with manual workers at Manchester Airport has been influenced by the existence of a relatively large body of manual workers employed on a single site, in contrast to the position at other local authority establishments where manual workers tend to be employed in smaller numbers. Coupled with this has been the influence of small groups of strategic workers, especially firemen, who hold substantial industrial power, capable of closing the airport at any time.

In common with the civil air transport industry as a whole, the formation of the NJCCAT was fundamental to the future course of industrial relations at Manchester Airport. As manual workers continually pressed for parity with workers embraced by this body, the response of the Corporation was to attempt to cement the body of airport workers to Local Government structures. However, in terms of the structure of the Municipal Airports Panel, from the outset it was difficult to integrate Manchester Airport with other municipal airports which had not undergone a similar process of growth and development. The application of special conditions to Manchester Airport was always

a source of potential conflict. Thus, whilst conflict initially arose from the perception on the part of airport workers of being a specialist group of labour within the Local Government service requiring special treatment, integration with other municipal airport workers served only to emphasise the differences in treatment of airport workers employed under different ownership structures.

Whilst there has been a general desire to keep the pay levels of airport manual workers in line with Local Government, both at national and local level, under the pressure of industrial unrest there has been a gradual trend towards parity with BAA airport workers. However, in the face of the strict interpretation of incomes policy by national employers, the employers at Manchester Airport increasingly rejected the general philosophy of the NJC and by the 1970s supported the notion of the local agreement of conditions of service to cater for the airports particular circumstances.

The national agreements applying to Local Authority manual workers have failed to respond to the needs of Manchester Airport. With little emphasis on local negotiation, employees' and employers' representatives always met in a situation of potential conflict. As many issues could only be settled at national level there was little opportunity to avoid the escalation of disputes. Although the employees at Manchester Airport increasingly saw the introduction of local productivity bargaining as a means of increasing pay levels to more nearly reflect the scale of operation, the constraints of national negotiations on many fundamental issues remained a constant source of conflict.

The course of industrial relations in respect of staff graded posts at Manchester Airport stands in stark contrast to that of manual workers. The absence of conflict reflects that which has applied throughout the Local Government service, as a result of the inherent flexibility provided by the grading scheme which can recognise the importance of local circumstances. The tradition of professionalism within the service as a whole has been reflected at Manchester Airport in the sense that the employing committee has willingly accepted the principle of comparison with other airports to recruit and retain this specialist body of staff. The nature of the local staffing function within the Corporation has engendered more of a co-operative atmosphere in the relations between employees and the employing committee. In the

face of manpower constraints imposed by the Establishment Committee across the broad spectrum of the authority, the employing committee has constantly backed employees claims for increased pay and displayed a willingness to recognise the contribution made by staff to the development of a facility which has constituted a profitable undertaking contributing to the local rate.

Another significant factor in the stability of industrial relations with staff employees has been the appeals machinery. In effect, each individual employee has been able to look to the prospect of achieving what they regard as an equitable return for their labours. Whereas manual workers claims have been made en-bloc, the cohesive identity amongst staff has been broken down by the process of the individual grading of posts, thus there has been little opportunity for the emergence of a collective sense of grievance.

Table 8.1MANCHESTER CITY COUNCIL AIRPORT COMMITTEE - EXPENDITURE ON SALARIES AND WAGES

<u>YEAR</u>	<u>SALARIES</u> £	<u>WAGES</u> £
1945/6	623	8,112
1946/7	1,289	8,891
1947/8	16,186 *1	
1948/9	5,425*2	19,400*3
1949/50	8,373	31,368
1950/1	8,348	31,850
1951/2	9,847	43,284
1952/3	12,868	57,489
1953/4	13,856	66,128
1954/5	15,914	73,123
1955/6	17,777	84,887
1956/7	22,839	97,077
1957/8	26,779	117,320
1958/9	32,827	151,275
1959/60	36,083	163,606
1960/1	42,561	182,362
1961/2	50,293	256,777
1962/3	57,301	291,933
1963/4	67,175	320,555
1964/5	73,718	332,241
1965/6	77,569	388,987
1966/7	114,235	422,038
1967/8	126,352	471,778
1968/9	141,575	525,051
1969/70	163,388	563,563
1970/1	134,659	670,030
1971/2	178,914	801,185
1972/3	205,305	1,199,933
1973/4	197,747	1,498,147

*1 Combined figure from salaries and wages

*2 From 1948/9 Administrative, Professional and Technical Grades only

*3 Manual Workers and "Others"

Source: Manchester City Council Abstract of Accounts

Table 8.2**MANCHESTER AIRPORT STAFFING**

<u>YEAR</u>	<u>MANUAL</u>		<u>ADMINISTRATIVE</u>	<u>TOTAL</u>
	<u>PERMANENT</u>	<u>TEMPORARY</u>		
1953/4	125	-	27	152
1954/5	151	20	27	198
1955/6	154	29	28	211
1956/7	155	30	34	219
1957/8	162	36	42	240
1958/9	195	52	47	294
1959/60	217	58	50	325
1960/1	223	51	52	326
1961/2	273	105	60	438
1962/3	305	105	70	480

Source: Manchester Airport, Memorandum by the Chair and Deputy Chair of the Airport Committee, 9 March 1964, Appendix C - Staff Establishment

Table 8.3**MANCHESTER INTERNATIONAL AIRPORT AUTHORITY STAFFING BY DEPARTMENT**

	<u>ADMIN</u>	<u>FINANCE</u>	<u>POLICE</u>	<u>FIRE</u>	<u>PORTERING</u>	<u>MAINTENANCE</u>
1970	40	51 (10)	30	49	222 (80)	107
1971	39	56 (20)	32	64	238 (90)	96
1972	49	64 (20)	51	69	290 (100)	107
1973	53	75 (20)	59	73	327 (60)	111
1974	63	81 (20)	75	67	356 (55)	104
1975	62	87	66	58	350	117

() Average numbers of temporary staff employed each year in car parks (Finance) and Portering

Source: Extracted from Airport Committee and MIAA Manpower Budgets

Table 8.4

EXPENDITURE ON EMPLOYEES

	<u>MAINT</u> <u>PLUS</u> <u>ADMIN</u>	<u>PORTERS</u> <u>ETC</u>	<u>MAINT</u> <u>(+MT)</u>	<u>FIRE</u> <u>SERVICE</u>	<u>POLICE</u>	<u>CAR PARK</u> <u>ATT'S</u>	<u>TRAINING</u> <u>BOARD</u> <u>LEVY</u>	<u>SECURITY</u>	<u>INFO</u> <u>DESK</u>	<u>OTHER</u> <u>EXP</u>
1957/8	28,399	73,727	23,011	15,665	8,895					
1958/9	35,132	101,951	26,741	17,909	10,903					
1959/60	38,388	113,373	28,660	17,562	12,015					
1960/1	45,208	128,341	32,472	19,560	13,107					
1961/2	54,269	189,350	40,898	23,334	20,268					
1962/3	61,525	20,894	51,614	28,030	21,307					
1963/4	72,571	219,246	68,774	34,140	26,567					
1964/5	79,550	219,448	74,344	31,945	29,245					
1965/6	98,940	250,301	80,105	43,528	28,455					
1966/7	123,429	284,522	83,619	45,239	27,970	10,209				
1967/8	137,095	307,546	100,195	52,648	30,524	12,700				
1968/9	154,101	343,309	103,042	58,147	35,049	15,629	3,680			
1969/70	102,797	376,888	137,942	93,213	46,003	23,687	3,474			
1970/1	126,717	469,897	164,452	118,514	61,633	31,383	1,990			
1971/2	162,133	578,619	188,720	138,961	84,674	45,350	2,385			
1972/3	201,179	741,518	225,714	160,950	134,980	60,099	100			
1973/4	243,627	882,339	265,771	187,584	186,056	82,319				
1974/5	323,873	1,079,418	382,393	225,775	238,909	112,543	10,207			
1975/6	470,667	1,399,124	574,945	296,317	37,891	148,350				
1976/7	541,737	1,585,455	652,571	333,657	144,906	181,026		251,845		
1977/8	580,586	1,795,660	761,109	369,763		195,059		765,738		
1978/9	500,101	2,172,409	838,777	438,666		231,322		946,791	102,860	62,712
1979/80	645,520	2,805,956	1,015,243	561,425		295,475		1,363,856	139,735	21,980
1980/1	874,735	4,003,389	1,460,879	826,723		392,973		1,756,196	209,700	30,912
1981/2	1,123,152	4,874,201	1,884,218	923,875		473,313		2,080,737	245,887	35,054
1982/3	1,849,163	5,757,119	2,116,650	983,054		505,964		1,943,951	258,181	24,720

Source: Manchester City Council, Abstract of Accounts and MIAA Manpower Budgets

Appendix 8.1

RATE OF PAY APPLICABLE TO FIREMEN EMPLOYED AT RINGWAY AND BARTON AIRPORTS BASED ON THE
PREVAILING RATES OF PAY AND CONDITIONS OPERATED BY THE MINISTRY OF CIVIL AVIATION WITHIN
THE MISCELLANEOUS TRADES JOINT COUNCIL FOR GOVERNMENT INDUSTRIAL ESTABLISHMENTS
w.e.f 8.11.48

<u>DESIGNATION</u>	<u>GRADE UPON WHICH BASED</u>	<u>"M" RATE</u>	<u>LEAD OR ALLOWANCE</u>	<u>SHIFT PAYMENT</u>	<u>TOTAL RATE FOR 44 HOUR WEEK</u>	<u>EXISTING RATE</u>	<u>INCREASE</u>
Fireman Chargehand	Airport Hand Crash Crew	4.15.0	-	-	-	-	-
Under 10 Employees Supervised		4.15.0	14/- & 5/-	4/-	5.18.0	(1) 5.15.3 (2) 5.14.10	2/8 3/2
Over 10 Employees Supervised		4.15.0	14/- & 8/-	4/-	6.1.0	(1) 5.15.4 (2) 5.14.10	5/8 6/2
Fireman		4.15.0	14/-	4/-	5.13.0	(1) 5.9.9 (2) 5.7.4	3/3 5/8

(1) = Qualified Driver
(2) = Recognised First Aid Certificates

Source: Town Clerk's Report to the Establishment Committee, Manual Staffs at Ringway and Barton Airports,
8 April 1949

Appendix 8.2RATES OF PAY APPLICABLE TO INDUSTRIAL (MANUAL) STAFFS AT RINGWAY AND
BARTON AIRPORTS w.e.f. 8.11.48

<u>GRADE</u>	<u>"M" RATE</u> <u>£</u>	<u>LEAD OR</u> <u>ALLOWANCE</u> <u>WEEK £</u>	<u>BASIC FOR</u> <u>44 HOUR</u>	<u>REMARKS</u>
Labourer (Unskilled)	4.15.0	-	4.15.0	
Labourer (Semi-skilled)	4.15.0	3/-	4.18.0	
Semi-Skilled (using tools)	4.15.0	5/- to 8/- 5.3.0	5.0.0 to	Lead at local discretion
Messenger	4.15.0	3/-	4.18.0	
Airport Foreman's Assistant	4.15.0	12/-	5.7.0	
Airport Hand Grade II	4.15.0	4/-	4.19.0	General duties, baggage handling
Airport Hand Grade I	4.15.0	8/-	5.3.0	Tarmac marshalling; floodlights on motor transport vehicles; laying & lighting paraffin flares; recording aircraft arrivals & departures; baggage handling, if required. Lead inclusive of any motor transport driving within the airport
Leading Storeman	4.15.0	15/-	5.10.0	
Storeman	4.15.0	10/-	5.5.0	

Appendix 8.2 ContinuedRATES OF PAY APPLICABLE TO INDUSTRIAL (MANUAL) STAFFS AT RINGWAY AND
BARTON AIRPORTS w.e.f. 8.11.48 Continued

<u>GRADE</u>	<u>"M" RATE</u> <u>£</u>	<u>LEAD OR</u> <u>ALLOWANCE</u> <u>WEEK £</u>	<u>BASIC FOR</u> <u>44 HOUR</u>	<u>REMARKS</u>
Packer	4.15.0	6- to 9/- 5.4.0	5.1.0 to)) At) Local) Discretion	
Assistant Packer	4.15.0	3/- to 5/- 5.0.0	4.18.0 to))	
Stoker (Low Pressure)	4.15.0	13/-	5.8.0	
Stoker (High Pressure)	4.15.0	16/-	5.11.0	
Watchman	4.15.0			
Drivers				
Motor Transport				
Class "A"	4.15.0	8/6	5.3.6	*
Class "B"	4.15.0	9/6	5.4.6	*
Class "C"	4.15.0	11/6	5.6.6	*
Class "D"	4.15.0	15/6	5.10.6	*
Class "E"	4.15.0	19/6	5.14.6	*
*	<u>Type of</u> <u>Vehicle</u>	<u>Designation</u> <u>of Driver</u>	<u>Class</u>	
	Motor Cycle	Driver		
	Motor Cycle	"A"		
	Passenger Cars	MT Driver (Passenger)	"A"	
	Up to & inc 2 tons (exc "A")	MT Driver (light)	"B"	

Source: Town Clerk's Report to the Establishment Committee,
Manual Staffs at Ringway and Barton Airports,
8 April 1949

Appendix 8.3

RATES OF PAY AND CONDITIONS OF SERVICE OF MANUAL EMPLOYEES APPLICABLE FROM 1.1.58

<u>OCCUPATION</u>	<u>EXISTING RATE FOR 44 HOUR WEEK</u>	<u>NEW RATE PROPOSED BY CORPORATION</u>		<u>MIN OF TRANSPORT & CIVIL AVIATION RATES</u>		<u>*4 YEAR PERIOD COULD BE WAIVED AT MANAGEMENT DISCRETION</u>
		<u>COMMENCING</u>	<u>AFTER 4 YRS SERV</u>	<u>COMMENCING</u>	<u>AFTER 4 YRS SERV</u>	
Porter	8.2.0	8.16.0	9.0.6	9.6.5	9.11.5	
Marshaller	8.11.0	9.4.2	9.7.10	9.15.5	10.0.5	
Chargehand	8.17.0	9.7.10	9.11.6	9.18.5	10.3.5	
Assistant Chargehand	8.13.0	9.4.2	9.7.10	9.14.5	9.19.5	Proposed new rates to be augmented in the manner prescribed by the North Western Whitley Council for Local Authority Non- Trading Services in respect of shift working, overtime, Sunday work, etc
Fireman	8.2.0/ 8.11.0	9.0.6	9.4.2	9.13.0 x 5/- to 10.8.0 Efficiency increments of 5/- to 10.18.0		
Leading Fireman	8.19.0	9.7.10	9.11.6	10.15.6 x 5/- to 11.5.6 Efficiency increments of 5/- to 11.15.6		

Source: Airport Committee, Special Meeting, 26 February 1958, Wages and Working
Conditions of Manual Employees

Appendix 8.4NJC FOR LOCAL AUTHORITIES' SERVICES (MANUAL WORKERS) EMPLOYEES AT MUNICIPAL AIRPORTS, TERMS AND CONDITIONS OF EMPLOYMENTCLASSIFICATION OF AIRPORTS FOR WAGE PURPOSES

I	II
Birmingham (Elmdon)	-
Liverpool (Speke)	
Manchester (Ringway)	
Southend-on-Sea	
III	IV
Bristol (Lulsgate)	Blackpool (Squires Gate)
Newcastle-Upon-Tyne (Wolsington)	Coventry (Babinton)
	Derby (Burneston)
	Leeds/Bradford (Yeadon)
	Luton
	Portsmouth
	Swansea

RATES OF PAY

<u>DESIGNATION</u>	<u>CLASS I</u>	<u>CLASS II</u>	<u>CLASS III</u>	<u>CLASS IV</u>
Airport Hand	9.18.10 to 10.6.2	9.15.2 to 9.18.10	9.11.6 to 9.15.2	None at this Classification
Marshaller	10.6.2 to 10.9.10	Only Manchester (Ringway) employed workers solely on this activity		
Duty Crew	10.9.10 to 10.13.6	10.6.2 to 10.9.10	9.18.10 to 10.2.6	9.15.2 to 9.18.10
Crashcrew Attendant/ Fireman	10.9.2 to 10.17.2 to 11.4.6 to 11.11.10	No employees solely on these duties at these classifications		

Source: Correspondence, NJC for Local Authorities' Services (Manual Workers), London SW1, to the Town Clerk, Manchester, 31 March 1960

Appendix 8.5LEAD RATES OF SUPERVISORY GRADES 1962

<u>DESIGNATION/ SECTION</u>	<u>EXISTING LEAD RATE</u>	<u>REVISED LEAD RATE</u>
<u>Portering:</u>		
Supervisor	12/- per week	21/- per week (6d/hour)
Marshall Supervisor	8/- per week	14/- per week (4d/hour)
Assistant Supervisor	8/- per week	14/- per week

Fire Services:

Leading Fireman	23/6 or 24/- per week	24/6 per week (7d/hour)
	According to length of service	
Senior Fireman	8/- per week	14/- per week

Maintenance * Lead payments revised to bring in line with above

Foreman	6¼d per hour	7d per hour
	3 1/8d per hour	4d per hour

Source: Manchester Corporation, Establishment Committee, 27 November 1962

Appendix 8.6

CITY OF MANCHESTER, AIRPORT DEPARTMENT MAINTENANCE SECTION
SCHEME FOR THE GRADING OF LABOURERS AND GROUNDSMEN WITHIN THE
FRAMEWORK OF THE SCHEDULE OF WAGES AND WORKING CONDITIONS OF THE NUC
FOR LOCAL AUTHORITIES' SERVICES (MANUAL WORKERS) MANCHESTER AIRPORT
10.12.62

<u>GRADE</u> <u>(as for semi-skilled</u> <u>engineering employees)</u>	<u>BASIC PER</u> <u>WEEK</u>	<u>QUALIFICATIONS</u>
1	10.1.3	Limited experience
2	10.3.5	Some practical experience
3	10.13.6	Special duties or considerable experience
4	11.0.6	Exceptional ability

Source: Manchester Corporation, Establishment Committee, 8 January 1963

Appendix 8.7INDUSTRIAL ACTION, MANCHESTER AIRPORT, 1968

<u>DATE</u>	<u>PERIOD</u>	<u>SECTIONS INVOLVED</u>	<u>STATUS</u>
24.5.68	21.00-22.00	Airport hands and supervisors	Airport open, baggage not handled
25.5.68	09.00-11.15	Airport hands and supervisors	Airport open, baggage not handled
27.5.68	15.00-15.25	Airport hands and supervisors	Airport open, baggage not handled
31.5.68	21.15-22.30	Airport hands and supervisors	Airport open, baggage not handled
1.6.68	09.15-10.30	Airport hands and supervisors	Airport open, baggage not handled
2.6.68	24.00-01.00	Airport hands and supervisors	Airport open, baggage not handled
2.6.68	15.00-16.00	Airport hands and supervisors	Airport open, baggage not handled
5.6.68	14.55-16.10	Strike meeting - maintenance, fire and apron services	Airport open, baggage not handled, fire on call
14.6.68	21.00-22.15))
15.6.68	01.00-02.00))
15.6.68	09.15-10.30) Maintenance, fire) Airport
16.6.68	11.30-13.30) and apron services) Closed
16.6.68	20.45-23.45))
17.6.68	08.30-09.50))
19.6.68	14.15-16.15))
21.6.68	21.00-21.30))
24.6.68	12.30-13.30	Maintenance	Airport open
24.6.68	21.15-22.15))
25.6.68	20.25-01.15))
26.6.68	08.00-12.00) Maintenance, fire) Airport
29.6.68	12.00-15.15) and apron services) Closed
30.6.68	00.01-02.00))
31.6.68	21.00-23.15))
1.7.68	15.00-16.00	Maintenance and apron services	Airport open
1.7.68	16.15-18.15	Maintenance, apron and fire services	Airport closed
3.7.68	12.00-13.30	Maintenance only	Airport open

Source: Manchester Airport, Schedule of Strikes and Losses since 1968, MIAA Staff on File "Estimated Losses of Revenue due to Industrial Disputes"

Appendix 8.8NATIONAL JOINT COUNCIL FOR LOCAL AUTHORITIES' SERVICES (MANUAL WORKERS) MUNICIPAL AIRPORTS PANEL PROPOSALS FOR RE-CLASSIFICATION OF MANCHESTER AIRPORT AND RATES OF PAY OF PORTERING STAFF AND FIREMEN1 RE-CLASSIFICATION

In recognition of the Board of Trades' categorisation (Grade IX) and the scale of operations including the volume of international and domestic passenger and freight traffic, to revise the scheme of classification of airports for pay purposes as an interim measure to increase rates by $5\frac{1}{2}$ d per hour, to be taken into account in the pending 1968 general pay settlement.

2 FIREMANSHIP

In recognition of the certification by the Airport Commandant of competence in firemanship of a standard equivalent to Board of Trade Firemanship Course at Stansted, to pay a qualification "plus rate" of 2d an hour subject to this being merged in any increased rate which the employee concerned may subsequently enjoy on being promoted to leading hand or other supervisory appointment and not applying to any employee who is at present in leading hand or other supervisory grade.

3 ENHANCED ALLOWANCES - SHIFT WORK - NIGHT WORK

Pending completion of the 1968 review to increase the following enhanced allowances:

Shift Work - Rotating shift - from $5\frac{3}{4}$ d to $7\frac{1}{2}$ d per hour

Alternating shift - from $4\frac{3}{4}$ d to $5\frac{3}{4}$ d per hour

Night Work - From time + $\frac{1}{4}$ to time + $\frac{1}{3}$

4 PRODUCTIVITY

In consideration of co-operation in a work study review of operations at the airport and of agreement on measures set out below regarding increasing efficiency and productivity of airport services to pay on account of the benefits which have accrued and are to accrue for more productive and efficient working, a sum of 10s a week to be absorbed in any final productivity payment or bonus which may result from such study or studies.

Appendix 8.8 ContinuedNATIONAL JOINT COUNCIL FOR LOCAL AUTHORITIES' SERVICES (MANUAL WORKERS) MUNICIPAL AIRPORTS PANEL PROPOSALS FOR RE-CLASSIFICATION OF MANCHESTER AIRPORT AND RATES OF PAY OF PORTERING STAFF AND FIREMEN
Continued(a) Overtime

- (i) A reasonable amount to meet airport operating requirements.
- (ii) Normal shift to be extended by ½ hour to provide shift overlap.
- (iii) Stay-back overtime - guarantee of 1½ hours per week at the request of management.
- (iv) Co-operation in all "call out" arrangements.

(b) Efficiency and Productivity

Co-operation in efforts to secure the efficient and economical operation of the airport including:

- the use of work study and other management services
- changes in working practices
- versatility and flexibility of staff
- continuing review of manning requirements

5 MATTERS FOR LOCAL CONSIDERATION

The parties to consider in the light of this agreement:

- (a) Local lead rates and rate of marshallers.
- (b) Implications of proposals in relation to other ground staff within the limits of the national agreement and current arrangements as to pay.

6 DATE OF OPERATION

Proposals to come into effect, if adopted, on 1 July 1968.

Source: Manchester Corporation, Special Meeting of the Airport Committee, 16 July 1968, Airport Dispute, Rates of Pay of Portering Staff and Firemen, Correspondence from the NJC Employers' Side, submitted as Appendix A, Attachment.

Appendix 8.9

DETAILS OF EFFECTS OF PROPOSALS BY JOINT SECRETARIES OF NJC FOR LOCAL AUTHORITIES' SERVICES
(MANUAL WORKERS) FOR REVISING PAY AND CONDITIONS OF PORTERING AND FIRE STAFFS AT
MANCHESTER AIRPORT

- (1) Wage Award: 2 d per hour; shift rates: alternating 1d, rotating 1 3/4d per hour, qualified firemen 2d per hour
(2) Airport Classification: 3d per hour; productivity payment 10s per week

<u>GRADE</u>	<u>EXISTING WAGE</u>	<u>PROPOSED INCREASES</u>		<u>TOTAL INCREASE</u>	<u>REVISED WAGE</u>	<u>WAGE OF EQUIVALENT STAFF AT BAA</u>
		NATIONAL (1)	LOCAL (2)			
<u>Airport Hand</u>						
1st year basic	13.17.6	8/4	1.0.0	1.8.4	15.5.10	15.0.7
Average 45 hour week	20.11.0	18/8	1.4.3	2.2.10	22.13.10	22.7.1
After 4yrs Service:						
Basic	14.4.6	8/4	1.0.0	1.8.4	15.12.10	16.2.5
45 hour week	21.1.0	18/7	1.4.3	2.2.10	23.3.10	23.13.11
<u>Fireman - Qualified</u>						
1st year basic	13.13.4	15/-	1.0.0	1.15.0	15.8.4	15.4.7
Average 44 hour week	19.4.11	1.6.5	1.3.3	2.9.8	21.14.7	22.16.8
After all Service Increments:						
Basic	14.15.4*	15/-	1.0.0	1.15.0	16.10.4	17.16.6**
44 hour week	20.14.3	1.6.5	1.3.3	2.9.8	23.3.11	25.16.6

* - After three years' service

** - After six year's service

Source: Manchester Corporation, Airport Committee, Special Meeting, 16 July 1968
Airport Dispute, Rates of Pay of Portering Staff and Firemen

Appendix 8.10MAP 1975 ANNUAL PAY SETTLEMENT - EFFECT ON EARNINGS AT MANCHESTER AIRPORT, COMPARED WITH BAA

	<u>MAP AGREEMENT</u>		<u>BAA AGREEMENT</u>
<u>Airport Hand (lowest grade)</u>			
Basic Pay	34.39		27.51
Lead-in	1.00))	
Weekend premium	7.56)	11.26)	8.22
Night pay	1.42))	
Shift pay	2.28))	
	_____		_____
PAY FOR 40 HOURS	46.65		45.73
Rostered overtime	6.77		7.38
Night pay	0.15)	0.46	
Shift pay	0.31)		
	_____		_____
TOTAL FOR 45¼ HOUR WEEK	53.88		53.11
<u>Fireman (lowest grade)</u>			
Basic pay	34.22		31.85
Lead-in	1.00		
Weekend premium	7.70)	11.86)	10.83
Shift pay	4.16))	
	_____		_____
PAY FOR 40 HOURS	47.08		42.68
Rostered overtime	5.13		4.78
Shift pay	0.42		
	_____		_____
TOTAL FOR 44 HOUR WEEK	52.63		47.46

Source: Manchester Airport, Management Information Bulletin

Appendix 8.11MANCHESTER AIRPORT STAFF, JUNE 1968 (OPERATIONAL DEPARTMENTS)

	<u>ESTABLISHMENT</u>	<u>STRENGTH</u>
<u>Maintenance</u>		
<u>Paid on Administrative Grades</u>		
Airport Engineer	1	1
Senior Assistant Airport Engineer	1	1
Assistant Airport Engineer	2	2
Maintenance Clerk	1	1
Foreman Fitter	2	2
Foreman Electrician	3	3
	—	—
	10	10
<u>Other Grades</u>		
Chargehand Fitter (Days)	1	1
Chargehand Electrician (Days)	1	1
Chargehand Electrician (Shifts)	5	4
Porters (Days)	13	12
Porters (Shifts)	5	4
Electrician (Days)	12	13
Electrician (Shifts)	5	4
Labourers (Days) Grades	1 -)	
	2 11)	21
	3 1)	
	4 8)	
Labourers (Shifts) Grade 2	10	9
Foreman Groundsman	1	1
Chargehand Groundsman	1	2
Groundsmen Grade	1 -)	
	2 6)	
	3 7)	15
	3 2)	
	—	—
	90	86

Appendix 8.11 ContinuedMANCHESTER AIRPORT STAFF, JUNE 1968 (OPERATIONAL
DEPARTMENTS) Continued

	<u>ESTABLISHMENT</u>	<u>STRENGTH</u>
<u>Portering Services</u>		
<u>Paid on Administrative Grades</u>		
Senior Airport Duty Officer	1	1
Airport Duty Officer	4	4
Apron Services Supervisor	5	5
<u>Other Grades</u>		
Supervisors & Assistant Supervisors	44	36
Assistant Supervisors (Summer 5 months)	10	
Marshaller Supervisors	7	7
Marshallers	6	6
Airport hands	191	184
Airport hands (Temp 5 months)	72	2
Road Guards	4	3
Women Cleaner Supervisors	1	1
Women Cleaners	5	
	—	—
	350	249
<u>Terraces and Left Luggage</u>		
<u>Paid on Administrative Grades</u>		
Terrace Wardens	3	3
<u>Other Grades</u>		
Temp Assistant Terrace Wardens		
- for 7 months - 4)	6	6
- for 6 months - 2)		
Left Luggage Attendants	3	3
	—	—
	12	12

Appendix 8.11 ContinuedMANCHESTER AIRPORT STAFF, JUNE 1968 (OPERATIONAL
DEPARTMENTS) ContinuedCar ParksPaid on Administrative Grades

Car Park Manager	1	1
Car Park Supervisor	3	3

Other Grades

Car Park Attendant		
- Permanent	11	9
- Temporary	7	5
- Casual	3	3
	—	—
	25	21

Fire SectionPaid on Administrative Grades

Airport Fire Officer	1	1
Assistant Airport Fire Officer	5	5
Section Leader	5	5
Leading Fireman	1	1

Other Grades

Senior Firemen	14	9
Firemen	36	28
	—	—
	62	49

ConstabularyPaid on Administrative Grades

Airport Police Inspector	1	1
Sergeants	4	4

Other Grades

Constables	25	25
WPCs	1	1
	—	—
	31	31

Source: File, Manchester Airport Archive, Strike, May - July 1968,
Manchester Airport Establishment, 1968

Appendix 8.12MINISTRY OF AVIATION FIRE SERVICE ESTABLISHMENT, 1963

<u>POST</u>	<u>RESPONSIBILITIES</u>	<u>SALARY</u>
Chief Fire Officer	Policy and overall organisation	£3,200
Deputy Chief FSO	Assisting above	£2,200
Deputy FSO	Operational matters	£1,700
Deputy FSO	Executive matters	£1,700
Airport Fire Officer Grade One	Training matters	£1,475
Airport Fire Officer Grade One	Fire Prevention matters	£1,475
Airport Fire Officer Grade One	Personnel matters	£1,475
Airport Fire Officer Grade One	ROF and research and development	£1,475
Section Leader	Filing and clerical	£1,000
Section Leader	MOA Training (Fire) School	£1,000
Supervisor, Training	Training organisation	
Airport Fire Officer Grade One	Training, assistant supervisor	
Airport Fire Officer Grade Two	Training, Chief Instructor	
2 x Section Leader	Training Instructor	

Source: Manchester Airport, Ministry of Aviation Fire Service Establishment (Additional to Airport Fire Staff) at 29 April 1963, Headquarters staffs.

Appendix 8.13SENIOR OFFICERS SALARIES AT MINISTRY AIRPORTS, 1962

<u>AIRPORT</u>	<u>POST</u>	<u>SALARY</u>
London	Commandant	2,925 - 3,350
	Assistant Commandant	2,305 - 2,875
	Operations Officer Grade I	1,732 - 2,148
	Operations Officer Grade II	1,243 - 1,810
Prestwick	Commandant	2,150 - 2,475
	Plus responsibility allowance	
	Operations Officer Grade I	1,732 - 2,148
Belfast	Commandant	2,150 - 2,475
Birmingham	Commandant	2,470 - 2,785
Liverpool	Commandant	2,015 - 2,345
Jersey	Commandant	2,240 - 2,565
	Assistant Commandant	1,860 - 2,120

Source: Manchester Corporation Establishment Committee, 10 April 1962,
Appointment of Assistance Airport Director (Operations)

Appendix 8.14GRADING OF SENIOR ADMINISTRATIVE POSTS AT MINISTRY AIRPORTS, 1960

<u>Post</u>	<u>Present Grade</u>	<u>Recommended Grade</u>	<u>Comparable Grade at Ministry Airports</u>	<u>Salary</u>
Assistant Airport Director	JNCA £1,420	JNCD £1,520-£1,755	Chief Executive Officer	£2,200
Chief Administrative Assistant	APT III £880/£1,005	APT V £1220/£1375	Senior Executive Officer	£1,800
Administrative Assistant	APT I £610-£765	APT III £880/£1,065	Higher Executive Officer	£1,375
Chief Accounting Assistant	APT III £880/£1,005	APT V £1,220/£1,375	Senior Executive Officer	£1,800

Source: Manchester Corporation, Establishment Committee, 18 March 1960,
Airport Committee, Review of Departmental Establishment.

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- 4 Manchester Corporation, Town Clerk's Report to the Establishment Committee, op cit, 8 April 1949. See also Manchester Corporation, Abstract of Accounts, Airport Committee, Revenue Account, Expenditure 1948/9. The Corporation adopted recommendations of the Miscellaneous Trades Joint Council in all aspects of wages and working conditions. A survey of Establishment Committee minutes for the 1950s reveals that the basic "M" rate was applied, along with shift allowances, supervisory lead payments, provisions for industrial employees required to work after their normal shift, the working week, overtime payments, annual leave, provisions for work done on statutory holidays, laid down by the Miscellaneous Trades Joint Council to the majority of manual staffs including unskilled workers - groundsmen, workshop labourers, car park attendants, as well as airport hands employed at Manchester Airport. When the Miscellaneous Trades Joint Council consolidated the two grades of airport hand in 1952, Manchester Corporation followed suit.
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- 28 Correspondence, GC Ogden, Town Clerk, Manchester Corporation to members of the Airport Committee, 6 June 1968 (MA PLC Archive). As mentioned in Chapter Seven, the Government had referred the issue of local authority pay to the Prices and Incomes Board in 1966. The report of the Board published in 1967 had concluded that the level of earnings among manual workers in local authorities were relatively low. To increase basic rates would, however, place an unreasonable burden on the ratepayer, therefore, it was recommended that the problem of low pay should be addressed by the more effective use of manpower through properly constructed and controlled systems of payment relating earnings to performance. In the interim, the Prices and Incomes Board suggested the adoption of a short term scheme.
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CONCLUDING REMARKS

In this thesis I have sought to investigate the process of growth and development at Manchester Airport and the implications of municipal ownership. Whilst the major focus has been the nature of municipal enterprise, this, of necessity, has therefore been viewed within the overall framework of institutional arrangements governing the civil air transport industry. This historical study has extended across more than half a century during which the role of Manchester in civil air transport has been transformed from essentially a small-scale limited activity to a major operation implied by international "Gateway" status. This transition has taken place under continued local authority ownership and control. Whilst the key issues addressed have included the impact of municipal ownership on capital and labour structures and the evolution of internal organisation structures with increasing scale, emphasis has also been placed upon the extent to which other forces and agencies have determined the process of change.

In Chapter One it was suggested that the air transport system comprises a number of components including the airport itself; the airlines and their customers; the local community and the forces of government. It was emphasised that given the complexity of the institutional framework, airport development must be the outcome of the interaction of numerous institutions which are seemingly independent but are, in practice, interdependent because of the effects of decisions on the other components of the air transport system. Each institution may set an agenda for development independently of other forces, but in reality interdependence may affect the achievement of set goals. Essentially then, whilst the primary aim has been to investigate the nature of municipal enterprise, objectives for this study have reflected this fundamental condition. The main core of the thesis has constituted a discussion of the impact of municipal ownership structures on the development of an enterprise operating in an international, commercial environment. However, whilst seeking to ascertain the extent to which the mode of ownership has affected development through policy formulation, the setting of specific goals and the provision of an organisational framework which must be

evolutionary in order to accommodate the needs of a growing and rapidly changing industry, such factors have not been dealt with in isolation. The underlying significance of these factors can only be objectively assessed within a wider context which encompasses the influence of the local community and central government on the nature and direction of civil air transport. Similarly, in the consideration of the impact of municipal ownership structures on industrial relations and collective bargaining arrangements, the study has justifiably extended beyond the bounds of municipal arrangements to encompass the civil air transport industry as a whole. It is suggested that a more limited approach would have failed to recognise the fundamental condition that a municipal airport exists as two entities - on the one hand, a Local Government service, and, on the other, a component of the civil air transport industry.

I have argued that the pattern of growth and development at Manchester Airport has differed considerably from experience elsewhere in the provinces and have tried to show that despite the potential constraints of the municipal ownership regime, it has proven to be a positive factor in promoting a process of change in the absence of growth promoting forces in both the local and national arenas. I have argued that municipal enterprise supporting the injection of local drive, knowledge, initiative and enthusiasm has been an appropriate organisational form, maximising gains in an industry subject to rapid technological change and spurts of growth.

Chapter Two addressed the way in which, during the post war period Manchester Airport increased its share of the UK passenger and freight markets. Of overriding significance was the way in which an initial dependence upon the Irish market gave way to the establishment of a wider range of continental and trans-Atlantic air services. It was suggested that such development began to set Manchester Airport apart from other municipal airports within the UK provinces and that during the 1960s the Airport's dominant position was consolidated by the establishment of a firm foothold in the IT market based upon a process of concentration of regional activity at the Airport. It was recognised that in achieving a leading position within the regions, the Airport had benefitted from a naturally large catchment area. However, emphasis was placed upon the necessity to translate latent demand into effective demand in order to increase the scale of activity. The early

attempts to acquire the Alexandra Park site for a municipal aerodrome and the City's determination to acquire an alternative site following the failure of the Barton Aerodrome have been cited as manifestations of the conviction on the part of the local authority of the need for an airport to satisfy potential demand. It has been argued that whilst welcoming the prospect of material prosperity, local politicians were in a more advantageous position than their national counterparts to envisage the effects of airport proposals and identify appropriate modifications. The application of superior knowledge added weight to the aspirations set at the local level.

It has been contended that an essential factor in extending the Airport's natural catchment area, which in turn contributed towards the intensification of air services, was the provision of airport facilities ahead of demand which addressed one of the fundamental principles involved in airport development. In effect, the investment decisions taken by the City of Manchester impacted upon the operation of other airports with the potential to service a common, overlapping catchment area. In differentiating the airport by operating upon supply-side factors, the airport owner realised the full potential of the market in attracting the lion's share of traffic.

In Chapter One the complexities of investment of airports as opposed to other enterprises were highlighted. Reference was made to the need to mobilise capital first and complete a project before benefits accrue; to accept an unremunerative period whilst traffic builds up; to embark upon a programme of continuing investment and capital outlay to keep up-to-date and to make decisions on "all or nothing" propositions involving "lumps" of investment. It was suggested that these characteristics create difficulties in making commercial judgements regarding the economics of potential new projects. I have tried to show how, given these fundamental characteristics, the potential constraints of the regime of municipal ownership have manifested themselves at various stages in the development process at Manchester. For example, it has been argued that the selection of the Barton site in the late 1920s in itself reflected an overriding concern to minimise capital expenditure in order to reduce the burden of development carried by the rate. Moreover, it has been argued that the position taken up by the Finance Committee in the early stages of development of the Ringway site reflected the "duality" of Local Government investment

and finance and an increasing concern regarding the possibility of deficit operation given the limitations of central government control of the level and direction of local authority investment. However, the decision to proceed with the Ringway scheme in 1934 following the failure of Barton, has been interpreted as suggesting a fundamental recognition of the need to give site selection priority, based upon the advice of aeronautical specialists, irrespective of the need to commit large sums of investment to land acquisitions. As far as the long term development or the Ringway site is concerned, I have maintained that the local authority has consistently pursued commercial objectives.

In Chapter Three it has been argued that rather than reflecting the potential constraints of "duality", the pursuit of non-commercial ends and the control of central government in local investment, usually attributed to the municipal ownership regime, the progressive policies pursued regarding airport development have in themselves implied an acceptance of commercial risk with the objectives of the spending committee consistently taking precedence over the counsel of the "treasury committee". This has been coupled with a policy of revenue maximisation by capturing more lucrative market in the long run.

Furthermore, it has been argued that with the accrual of surpluses, financial arrangements were modified to ensure that the future pursuit of purely political objectives would not impinge upon airport development. In this way the profits of airport operation were ploughed back rather than being dispersed to the General Rate Fund to subsidise other local authority services. I have also tried to show how increasingly financial autonomy was accompanied by greater managerial freedom and the adaptation of internal organisational structures to changes in the type and scale of airport operation. Essentially, the organisational changes highlighted in Chapter Three may be viewed in the context of the tradition of "professionalism" within the Local Government Service and the consideration in Chapter Eight of its significance in determining the grading of posts at Manchester Airport. It may be concluded that the tradition of "professionalism" assisted in the acquisition of specialist skills to cater for the needs of airport development.

Whilst the thrust of Chapter Three has been the discussion of the implications of the municipal ownership regime for investment, subsequent chapters have sought to determine the extent to which other

forces at work within the institutional framework of the civil air transport industry have contributed towards the process of growth and development. In Chapter One it was emphasised that in addition to the three major components comprising the civil air transport industry, the surrounding community has a particularly strong relationship with airports given the externalities involved in their operation. It was stated that any objectives set by the authority in which ownership was vested, could be influenced by the objectives of other local institutions whose assessment of externalities would be coloured by their perceptions regarding urbanisation effects. Basically if the goal of planning institutions is to slow down the expansion of an already highly urbanised region, the construction or expansion of an airport may run counter to that goal. It is clear from the consideration of the influence of local institutions which forms Chapter Four that this has indeed been the general case at Manchester Airport and it has been argued that the siting of the airport outside the boundary of the local authority in which ownership was vested proved to heighten the negative perceptions regarding airport development by the linking of this issue with the general question of the spread of large metropolitan areas into the surrounding countryside. Basically, the rural community around Manchester regarded airport development as an additional intrusion into their area which was already being transformed by Manchester's housing over-spill. However, it is argued that ownership by a large municipal authority claiming to represent the interests of an extensive industrial and commercial community was decisive in defeating the opposition of individuals and institutions alike who perceived themselves as bearing the costs of the development in terms of disamenity. Furthermore, the eventual institution of formal consultative arrangements in the 1960s has been regarded purely as a palliative designed to quell opposition, which at the same time ensured that the influence of the local community, when faced with the economic lobby of the airlines backed by the administrative machine of a large local authority, would remain minimal. Ultimately, it has been argued that the drive and enthusiasm applied by the local authority to a development process from which it could gain substantially, both in terms of prestige and profit, was overwhelming to the point of effectively disenfranchising the surrounding community.

Similarly, in consideration of the characteristics of airport

operation, it was emphasised that because of the positive externalities which may arise from development coupled with the relatively high level of capital investment involved, airports and the air services which operate from them are frequently regarded as public assets and therefore subject to an element of control by central government. However, it has been argued that whilst airports may act as growth points and governments may exercise control so as to promote airport development as an instrument of redistribution of prosperity between one region and another, this again has not been the case with regard to Manchester Airport given the tendency in the UK towards the laissez-faire approach to planning. Moreover, it has been argued that in resisting central government plans for requisitioning during the Second World War and for nationalisation in the post-war era, the special arrangements agreed for the ownership, management and control of Manchester Airport involving local management supported by an element of central funding, reinforced the predominance of the local agenda set by a municipal authority pursuing its own financial objectives. In this sense, it has been argued that the conferment of Category "A" Gateway status on Manchester Airport in 1978 was not the culmination of a policy of promotion of growth on the part of central government, but was purely the recognition of a status achieved in the past, by the forces of municipal enterprise. Similarly, it has been argued that in respect of the role of national agency in regulating the development of air services, the pursuit of national objectives, particularly the promotion of the interests of national airlines, has not proved to be a positive factor contributing towards the growth and development of Manchester Airport. The principal argument emerging from the consideration of the regulatory framework and ownership and competition policy in the UK airline industry in Chapter Six, is that the key to attracting the interests of the State Corporations at Manchester Airport was the demonstration effect given by the activities of foreign and independent operators alike who, backed by the encouragement of the municipal owners of the Airport, recognised the full potential of the market for air services existing in the City of Manchester and its environs.

It is therefore apparent that in addressing the origins of the process of growth and development at Manchester Airport in this thesis, the primary argument is that municipal ownership proved to be the

decisive factor in the absence of growth promoting forces elsewhere. In other words, the forces of municipal enterprise driven by "municipal pride" engendered a fundamentally commercial approach to the question of airport development which balanced the negative influence of other institutions pursuing their own independent local and national objectives. It is argued that this factor is of overriding significance in accounting for the pattern of growth and development at Manchester Airport. This differed significantly from its municipal counterparts which were subjected to central government requisition in war-time, nationalisation in the post-war period, and were handed back to local authority control in the 1960s as deficit operations.

In terms of capital it has been suggested that municipal ownership was the driving force contributing towards a scale of activity more akin to the larger state-controlled airports, however it has been noted that the application of procedures for the conduct of industrial relations in Local Government has created difficulties especially in relation to manual workers, given the existence of variable patterns of ownership within the civil air transport industry. Generally it has been argued that the origins of industrial unrest have lay in the fact that a relatively large number of manual workers have been employed on one site, a condition not usually encountered in local authority establishments. Given the specialist nature of the activities involved in airport operation, and the tendency towards large scale operation not encountered at other municipal airports, the body of manual workers at Manchester developed a firmer identity with other airport workers based at state-controlled airports than the collective body of municipal employees. An increasing rejection of local authority standards and principles in determining the terms and conditions of employment on the part of manual workers was countered by an attempt by the local authority employers to more firmly integrate the workforce with the local authority establishment, whilst at the same time providing limited recognition of the specialist nature of airport operation. However, it is argued that this process of integration served only to highlight the operational differences between Manchester Airport and its municipal counterparts.

Under the pressure of industrial unrest, a gradual trend towards parity with the larger airports operated by the British Airport

Authority may be discerned. A strict interpretation of incomes policy in national collective bargaining which reflected the influence of central government control of the level and direction of local authority funding culminated in the wholesale rejection by local management of a machinery which proved inflexible in accommodating the special needs of Manchester Airport. Thus it is argued in Chapter Eight that the constraints of the municipal ownership regime when dealing with labour, especially manual workers were of considerable significance.

Finally, in concluding this thesis, it should be noted that the municipal ownership regime has been regarded as a positive factor in promoting airport development because it provided a framework for the evolution of alternative organisational structures capable of adapting to the changing requirements of the development process. It has been argued that in this sense, flexibility of municipal ownership in itself contributed towards distancing of airport operation away from the potential constraints of the local authority regime as the need arose. Since 1986, as a result of central government policy, the municipal owners of the airport have been grouped together to form a public limited company and, in this sense, the Manchester Airport may be regarded as having been partially privatised. However, it is clear from the arguments put forward in this thesis that a process of partial privatisation: was implied by the tendency towards "arms length" administration which was the fundamental response to the specialist needs of the development process. In this way, the municipal ownership regime served a crucial historical purpose.

G L O S S A R Y

- Aerodrome** Any area of land or water designed, equipped, set apart or commonly used for affording facilities for the landing and departure of aircraft and includes any area or space, whether on the ground, on the roof of a building or elsewhere, which is designed, equipped or set apart for affording facilities for the landing and departure of aircraft capable of descending or climbing vertically, but does not include any area the use of which for affording facilities for the landing and departure of aircraft has been abandoned and has not be resumed.
- Advance Booking Charters** Charter flights operated under Class 2 licences between the UK and designated territories overseas in respect of which an operator has sold blocks of seats to one or more licensed travel organisers for resale to passengers.
- Aircraft Movement** An aircraft take-off or landing at an airport. For airport traffic purposes one arrival and one departure are counted as two movements. Runway capacities are expressed in terms of the number of arrivals and departures that can be accommodated on that runway with a specified period.
- Air Transport Movements** Various definitions exist. The description used in CAA Airport Statistics covers landings and take-offs of aircraft engaged in the transport of passengers or cargo on commercial terms. All scheduled service movements, whether loaded, empty or positioning, charter movements transporting passengers or cargo and air taxi movements are included.
- Apron** A defined area on a land aerodrome, intended to accommodate aircraft for the purposes of loading or unloading passengers or cargo, refuelling, parking or maintenance.

- Cargo (Airport Activity)** The weight of cargo (including accompanied vehicles) picked up and set down by aircraft on air transport flights. Cargo in transit through the airport on the same aircraft is excluded as is mail, company stores, excess baggage and diplomatic bags picked up and set down (See also definition below when used in airline statistics where mail and excess baggage are included).
- Cargo (Airline Operations)** Any property carried on an aircraft. In airline statistics it includes the weight of vehicles carried, excess baggage, mail and diplomatic bags (see also definition above for air cargo statistics where mail, excess baggage, company stores and diplomatic bags are excluded).
- Charter Services** are those transporting passengers or cargo for hire or reward from one point to another, other than scheduled services.
- Clearway** A rectangular area at the end of the take-off run available and under the control of the aerodrome licensee, selected or prepared as a suitable area over which an aircraft may make a portion of its initial climb to a specified height.
- Domestic Services** are services flown entirely within Great Britain, Isle of Man, Channel Islands and Northern Ireland.
- Gateway** In terms of airport categorisation - an airport with a wide range and frequency of international services, (including intercontinental services) and of domestic services. The term is also used in the context of bilateral air services agreements to identify the points of last departure and first arrival of international scheduled services.
- Inclusive Tours** are separate fare charters where the cost to the passenger includes the cost of accommodation.
- Interlining** A passenger is said to be interlining if he or she arrives at an airport with the sole purpose of changing airlines and departing for another point. The term is sometimes used for passengers connecting between flights of the same airline although such passengers are often termed "intra-liners" or "on-line connectors".

International Services	are services flown between the United Kingdom (including Great Britain, Isle of Man, Channel Islands and Northern Island) and places outside.
Landing Area	That part of the manoeuvring area primarily intended for the landing or take-off of aircraft.
Landing Speed	The speed at which an aeroplane can alight without undue shock.
Load Factor	The percentage of the total seats on an aircraft occupied by passengers. Normally only revenue passengers are included and the average seat factor is calculated by dividing total revenue passenger miles by total available seat miles.
Mail	Covers only that handled by postal administrations and includes troop mail.
Main Runway	The runway most used for take-off and landing.
Manoeuvring Area	That part of an aerodrome provided for the take-off and landing of aircraft and for the movement of aircraft on the surface, excluding the apron and any part of the aerodrome provided for the maintenance of aircraft.
Non-Scheduled Services	include all air transport flights other than scheduled services.
Obstruction	Any object or feature whether natural or man-made, which by reason of its elevation or position may affect the safety or regularity with which an aerodrome can be used.
Pay Load	That part of the useful load being of commercial value and providing a source of revenue.
Private Flights	are flights for purely private purposes by private owners or other private aircraft operators, excluding aero-club flights.
Scheduled Services	are those performed according to a published timetable, including those supplementary

thereto, and open to use by members of the public.

Shoulder	An area adjacent to the edge of a paved surface so prepared as to provide a transition between the pavement and the adjacent surface for aircraft running off the pavement.
Sixth Freedom	The opportunity for an airline to carry foreign traffic between foreign territories on either side of its home country. A combination of third and fourth freedoms.
Slot	An airport slot is the time allocated for an aircraft to occupy a runway during take-off or landing.
Stalling Speed	That speed at which an aeroplane or glider just maintains level flight with its wings at their stalling or critical angle.
Stopway	A defined rectangular area at the end of the take-off run available, prepared and designated as suitable area in which an aircraft can be stopped in the case of a discontinued take-off.
Strip	An area of specified dimensions enclosing a runway to provide for the safety of aircraft operations.
Taxiway	A defined path, on a land aerodrome, selected or prepared for use of taxiing aircraft.
Terminal Passenger	is a passenger joining or leaving the aircraft flight at the reporting airport. A passenger travelling between two reporting airports is counted twice, once at each airport.
Threshold	The beginning of that portion of the runway usable for landing.
Transit Passenger	is a passenger who arrive at and departs from a reporting airport on the same aircraft which is transitting the airport. Each transit passenger is counted once only and not once on arrival and once on departure.

Usability	The percentage of occasions on which the crosswind component is below a specified value. The usability may be determined for any combination of take-off and landing.
Whole-plane Charters	Flights on which the whole capacity of the aircraft is available for resale to the public through a charterer(s).

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