

## Equal Employee Representation: The Key To Industrial Expansion

*The following are extracts from the Minority Report of the Bullock Committee, which were prepared by Mr. N. P. Biggs, Sir Jack Callard and Mr. Barrie Heath. The Minority Report, in contrast with the Majority view of the Bullock Committee, calls for worker representation on supervisory boards, based on the West German model, which would leave the existing board structure in British industry virtually intact. Further, the report envisages the formation of such supervisory boards, to have no formal links with the trade union apparatus, only following a number of years experience with work councils within each company.*

We present this minority report in the confidence that our views will have the support of large sections of the industrial community. We are unable to satisfy ourselves that sufficient notice has been taken of the evidence and advice of those who work in industry — employers and employees alike — whose views and experience are most relevant and most valid. It would be exceedingly unwise for the nation to disregard their practical realism and accept the theories of those who see this debate as a means of changing the structure of society in this country and who would seek to bring the boards of the private sector under trade union control.

Our own first-hand experience of companies which operate in West Germany leads us to believe that it is the German insistence on effective works councils separated from the union negotiating system, representing all employees and given extensive powers, which is one of the key factors in the success of the German system of employee participation.

We believe that the substructures can be power houses of ideas, wisdom, and influence on a company's activities, and that they are essential complementary arrange-

ments to any form of board representation.

Our recommendation, subject to the creation or existence of a suitable substructure, is that if there is to be employee representation at board level, it should be on supervisory boards.

We propose that a supervisory board, where adopted, should consist of: one-third elected by employees; one-third elected by the shareholders; one-third independent members. Included in the one third employee elected representatives should be at least one member from the shop floor payroll, one from the salaried staff employees, and one from management.

If a supervisory board is to serve a useful purpose, it should not be a watchdog without teeth. It should exercise general supervision over the conduct of the company's affairs by the board of management, but should not participate directly in the management of the company, nor be empowered to initiate policies.

The effect of this proposal would be to leave the existing structure, organization, and purpose of boards of directors in the United Kingdom substantially unchanged, but it would introduce a new and, we believe, important element of accountability.

We believe that no candidate should be eligible unless he or she has: been employed by the company for a minimum of 10 years; been a member of a sub-board council-committee for not less than three years; and undergone adequate and appropriate training to enable him or her to participate effectively in the supervisory board discussions.

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Extracts taken from: *Report of the Committee of Inquiry on Industrial Democracy* (Command 6707, Her Majesty's Stationery Office)

## Carter Networks Use British Courts Against Callaghan

A decision to prevent political action against the fascist settler-regime of South Africa handed down by Britain's second highest court this week has become the leading edge of a right-wing destabilization campaign against the government of Prime Minister James Callaghan, under the manifest supervision of agencies in New York and Washington, D.C. The court decision, an injunction against boycott activities directed at South Africa by parts of the British labor movement, has directly challenged the role of Parliament as final arbiter of law in the nation, and reflects a deliberate intention to weaken Callaghan's ability to head-off the U.S. Carter cabinet's policies of military confrontation in Africa and the Mideast.

The unprecedented judicial action was taken by the British Court of Appeals, which served an injunction against the British postal unions who have been organizing a boycott of all mail and telecommunications with South Africa. With support from the Carter cabinet, South Africa's Vorster government refused to withdraw military support for the outlaw Rhodesian regime of Ian Smith, as the British government has demanded. The postal union's action is therefore consistent with British government policy.

The court acted to sabotage this peace policy at the behest of the right-wing National Association of Freedom (NAF) which charged the postal union with "arrogance of power." The court, moreover, delivered its injunction