

APPENDIX 1

Reference to the Monopolies Commission under section 6 of the Monopolies and Mergers Act 1965

1. Whereas it appears to the Board of Trade that arrangements are in progress or contemplation for a merger of Guest, Keen & Nettlefolds Limited and Birfield Limited which, if carried into effect, will result in section 6(1)(a) and (b) of the Monopolies and Mergers Act, 1965 being satisfied, in that—

- (i) an enterprise carried on in the United Kingdom by or under the control of Birfield Limited will cease to be distinct from enterprises carried on by or under the control of Guest, Keen & Nettlefolds Limited ;
- (ii) as a result, the conditions specified in section 6(1)(b)(i) of the Act (monopoly conditions) will prevail or prevail to a greater extent as respects the supply in the United Kingdom of
 - (a) component parts for transmission systems of mechanically propelled land vehicles, in particular propeller shafts ; and
 - (b) drop forgings ;
- (iii) assets of a value exceeding £5,000,000 will be taken over :

Now, therefore, the Board of Trade in pursuance of the powers conferred upon them by section 6(7) of the said Act hereby refer this matter to the Monopolies Commission for investigation and report.

2. The Commission shall report upon this matter within six months from the date of this reference.

Dated 12th July 1966.

F. W. GLAVES-SMITH

An Under Secretary of the Board of Trade

APPENDIX 2

Principal Sources of Evidence

1. Written evidence was received from and hearings were held with representatives of the following :

- Guest, Keen & Nettlefolds Ltd.
- Birfield Ltd.
- British Motor Corporation Ltd.
- English Steel Corporation Ltd.
- Ford Motor Company Ltd.
- Leyland Motor Corporation Ltd.
- Rootes Motors Ltd.
- Rover Company Ltd.
- Vauxhall Motors Ltd.

2. Written evidence was also invited and received from a number of drop forgings manufacturers and manufacturers and distributors of motor components.

APPENDIX 3

**Sales of Propeller Shafts and Constant Velocity Joints
in the United Kingdom**

(i) GKN (BRD)

Calendar year 1965 (£'000)

					Propeller shafts for:	
					Passenger cars	Commercial vehicles
Ford	...	...	...	...	1,237	413
Leyland	...	...	...	...	533	255
Vauxhall	...	...	...	...	455	239
Rootes	...	...	...	...	459	363
Rover	...	...	...	...	—	57
International Harvester	...	...	...	...	—	9
					<hr/>	<hr/>
					2,684	1,336
Other customers	...	...	...	...	130	250
					<hr/>	<hr/>
Total	...	...	...	...	2,814	1,586
					<hr/>	<hr/>
Total all shafts	...	...	...	...	4,400	

(ii) BIRFIELD (Hardy Spicer)

Calendar year 1965 (£'000)

(a) Propeller shafts			
Automotive (passenger and commercial)	Industrial and misc.	Service etc.	Total
4,881	689	1,013	6,583
(b) Constant velocity joints			
Original equipment	Service	Total	
4,846	245	5,091	
Total sales of propeller shafts and constant velocity joints			... 11,674

Sales to principal customers—year ended 31st July 1965 (£'000)

Sales to:	Propeller shafts	Constant velocity joints
BMC	1,200	4,735
(Jaguar)	132	—
Vauxhall	2,022	—
Rover	1,033	—
Ford	664	—
Leyland	447	—
Rootes	16	—
Massey Ferguson	9	—
Other customers	1,197	—
		<hr/>
Total	6,654	4,735
		<hr/>

Total propeller shafts and
constant velocity joints ...

11,455

APPENDIX 4

Laycock Engineering Ltd.

				Sales (£'000)	
Calendar year				Total sales	Sales of overdrives
1960	...	...	...	4,754	1,692
1961	...	...	...	4,879	1,355
1962	...	...	...	4,617	1,290
1963	...	...	...	5,141	1,664
1964	...	...	...	6,165	1,979
1965	...	...	...	6,033	1,709

				Profits	
Year ended 31st July				Net profit* (£'000)	% of gross sales†
1960	...	...	...	526	12.0
1961	...	...	...	514	10.4
1962	...	...	...	365	7.8
1963	...	...	...	274	5.7
1964	...	...	...	327	5.7
1965	...	...	...	246	4.1

APPENDIX 5

Forgings and Presswork Ltd.

				Sales (£'000)		
Year ended 31st July				Outside sales	Inter-company sales	Total sales
1961	...	...	...	1,277	3,605	4,882
1962	...	...	...	1,225	2,748	3,973
1963	...	...	...	1,434	3,004	4,438
1964	...	...	...	1,931	4,019	5,950
1965	...	...	...	1,913	3,834	5,747

				Profits	
Year ended 31st July				Net profit* (£'000)	% of gross sales†
1960	...	...	...	467	10.3
1961	...	...	...	373	7.6
1962	...	...	...	194	4.9
1963	...	...	...	210	4.7
1964	...	...	...	591	9.9
1965	...	...	...	602	10.5

* Before tax.

† Including inter-company sales.

APPENDIX 6

Salisbury Transmission Ltd.

Sales
(£'000)

Year ended 31st July			
1960	...	...	1,934
1961	...	...	2,404
1962	...	...	2,282
1963	...	...	2,517
1964	...	...	3,267
1965	...	...	3,609

Profits

Year ended 31st July	Net profit*/loss (£'000)	% of gross sales†
1960	155	8.0
1961	128	5.3
1962	-0.8	0.0
1963	192	7.6
1964	387	11.8
1965	260	7.2

* Before tax.

† Including inter-company sales.

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