



How British Leyland Grew Itself To Death

By Geoff Wheatley
British Car Network

I have always wondered how a British motor company that made trucks and other commercial vehicles, ever got its hands on Jaguar, Triumph, and of course MG. Furthermore, how this successful commercial company managed to lose the goodwill and loyal customers of these popular vehicles. The story starts some fifteen years before British Leyland became part of the domestic vehicle market in the UK, and of course overseas, especially for Jaguar, a top international brand name in the post war years.

In the early 1950s the idea of Group Industries was the flavor of the month. Any company worth its salt was ready to join forces with a willing competitor, or several competitors to form a "Commercial Group". In consequence we had the Textile Groups, International Banking Groups, The British Nylon Group, Shell and BP Group etc.

The theory was simple, by forming production groups producing similar products and exchanging both marketing and production techniques, costs would be reduced and sales would increase. The British Government, who had an investment in the British Motor Industry to help the growth of exports to earn needed US Dollars, was very much in favor of the Group Policy being applied to the major production companies in the UK including the Nuffield Organization and Austin Corporation.

Smaller companies like Jaguar who were also successful exporters were encouraged to take the same view on production and sales, however they did not jump on the “Group” bandwagon and remained independent for a few more years. The Triumph Motor Company was no longer part of Standard Motors and were trying to break into the sports cars market with some success however they were certainly a minor player with only one product range and regrettably under funded which was to be their constant problem for many years to come.



The once mighty Singer Motor Company was little more than a shadow of its former self with no acceptable export record coupled with a lack of attractive vehicles for a post war market. So which were the dominant motorcar producers in the UK? Simple, Nuffield and Austin



There was no love between the two competitors who not only viewed each other as commercial rivals, a situation not enhanced by the fact that Mr. Morris and Mr. Austin hated each other and were quite open about their views

In the fall of 1952 with some persuading from the British Government, a new Group was created called the British Motor Corporation, combining the Morris (Nuffield) and Austin.



In reality they had very little in common, their production centers were miles away from each other, their suppliers were equally diversified while the retail dealers viewed themselves as being either Nuffield people or Austin people and still in competition for sales.

Above:
The original MG TD at top. Two prototype designs proposed by Nuffield engineer Gerald Palmer prior to the BMC Merger in 1952

Morris agreed to this merger with the understanding that the new CEO would be one of his people. He also walked away with a substantial amount of money when he sold his Nuffield shares to BMC.

Austin did not take that route and consequently had a deciding influence on who was going to head the third largest motor company in the world! With the support of Austin the new CEO was Sir Leonard Lord a pro Austin man and very much a bean counter when it came to development and design. Morris still retained a modest interest in his old empire but time was slipping by and he had plans for a quiet retirement on his country estate, Nuffield House. His wife certainly had something to do with this as she had resided there for the past twenty-five years with Morris tucked away in his factory apartment, built adjacent to his office where he controlled the ship and all who Sailed in Her!

Abingdon were very much aware that the successful MGTD was now looking rather tired as indicated by the falling sales of the car in the export markets mostly the US of course.

The entry of the MG EX175 in the Monte Carlo race was more as a publicity venture than as a serious competitor. The car did not win any laurels but the design certainly caught the eye of the sports car world! By late 1952, the MGA was ready to go into production.

Sir Leonard had signed a contract with Donald Healey to produce a new Austin-based sports car that became the Austin Healey 100. Lord saw no point in the new BMC operation producing two sports cars that could easily compete with each other, so when MG requested permission to start production of the MGA it was refused, and MG was instructed to continue producing the TD even though sales were declining every week. This was a bitter first taste of Group Policy for Abingdon.

On the positive side, the creation of BMC certainly provided both financial and moral support for rally events, speed events and of course the competitive avenues opened up when the Mini, certainly a joint product of the BMC merger, arrived on the roads of Britain and Europe in the early 1960s.

Jaguar produced some wonderful vehicles between 1950 and 1964, in fact they were "Too Nice." Production costs soared and the fact that Jags were in high demand simply increased the problem. In addition the Jaguar factory suffered a devastating fire in 1957 that almost put the company out of business. It took at least two years to simply get back into a profit situation.

Jaguar was never a large operation compared with other British manufacturers. Their success was simply good design and a product that would sell well, as long as they could maintain a reasonable supply. Sad to say, unlike Triumph (another relatively small operation) Jaguar was constantly short of investment funds. Triumph virtually lived from year to year and Jaguar was not that much better off.



MGA DEVELOPMENT

Designed by Syd Enever, the EX175 featured a chassis with wide spaced frame rails, which allowed two seats placed low between the frame rails. TD type independent front suspension, coil springs and lever action shock absorbers.

This was the first factory prototype for the MGA, generally based on the 1952 EX172 Le Mans car (which was actually built on a highly modified MG TD chassis) pictured above.

There were two of these cars built. One car was to become HMO6, used for wind tunnel tests and installation of some accessories. There were long delays, and after being used as a test bed for disc brakes, the car was cut up. The other was taken to the Bonneville Salt Flats, fitted with belly pan, toneau cover, skirts and a bubble windscreen. It resembled what was to later become the production MGA, pictured below.

The test results were not as expected due to aerodynamic design problems. Re-fitted and renamed the EX179, fitted with a streamlined aerodynamic skin and entered into trials, the EX179 set several speed records.



However Jaguar had a solid export record, especially as far as the US was concerned, so the British Government, who already had a stake in the British Motor Holdings Organization, (the revised name for the British Motor Corporation) suggested that Jaguar join the club which this time they did and managed to survive a few more years.

In 1968, for reasons that are still not clear - although it has been suggested that the Government of the day did a little pushing, British Motor Holdings merged with Leyland now creating the largest private and commercial manufacturing structure in Europe.

Around this time the political climate in the UK was very much concerned with its possible entry into the European Community although that took a few more years and a change of government to achieve, did this new Leyland creation have something to do with that prospect? It would certainly put the British Motor Industry in a very powerful international position!

For MG, the idea that they were now part of and in company with Standard Triumph who had been purchased by Leyland a few months earlier must have come as a hard pill to swallow as there was no love lost between the two operations. All of the money that could have been used to make an MGB replacement went to the TR7.

Furthermore, the CEO of Leyland, Sir Donald Stokes, made it quite clear that he would no longer sanction any expenditure for racing or competition activity. (This was later amended so that Jaguar could continue to participate in international events under the guise of Promotional Advertising.)

With a matter of a few years the British Motor Industry was on the decline. Quality control was replaced by poor workmanship, never ending union trouble and strikes, a total lack of co-operation between the various divisions now under the banner of British Leyland, with management that had very little knowledge of car production and even less on marketing to private consumers, who were now being successfully wooed by Japanese and European imports. When Britain went into the EEC, this closed the lid on any revival of the British Motor Industry.

There were no longer import restrictions on European vehicles sold in the UK, so things like quality control started to mean something more than an advertising term. The Thatcher government was not keen on investing any further taxpayer's money into the British Motor Industry, having been seriously burned by John DeLorean, told Sir Donald that Leyland was on its own.

The first step to cut the flow of money down a never-ending drain was to close MG who had been in the red for at least five years. Next was to sell off what ever they could. Jaguar, who by now had lost all of its once sterling reputation for quality, was sold to a small but dedicated group of private investors who turned the company around and eventually sold at a profit to Ford. Rover, who also had the once famous but now rather old hat Mini, was sold off to BMW who also took the rights to the MG name, that Rover had maintained after the production ceased in 1980. Stokes invested a few more bucks into a new type of Sports car under the Triumph name then gave up and let the company die a natural death, obviously there were no takers waiting in the wings!

The once great British Motor Industry is now simply a memory in company with names like BSA. Norton. Triumph and a few others that once were the leaders in the Motor Cycle world.