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ORAL HISTORY PROJECT.

Interviewee: Mr. R. T. D. Stott.

Interviewer: Mr. Roger Sims, Librarian Archivist,
Manx National Heritage.

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RS Well it's my great pleasure to introduce back Mr. Dursley Stott, and welcome Dursley back to the interview sessions. We finished our last session by looking at the contribution of Sir John Bolton in the very early days of the developing Finance Sector and I very much Dursley, would like to continue that theme. I have in my hand a photograph which is rather interesting because on it is Clifford Irving, MHK and I understand that Clifford Irving was partly responsible, or very much involved, in those early days and I wonder what you could tell me about that please?

Mr.S Yes, well Mr. J. B. Bolton, as he was in those days, J.B. Bolton, was Chairman of the Finance Board and there were three members normally on the Finance Board and I can't remember who the others were, except that Clifford Irving went on to the Finance Board and I do know, because he has told me this himself, that he went to the very first meeting after he was appointed and he was welcomed by J. B. Bolton and J. B. apparently said the apologies and Clifford then said 'Well, I'd like to propose that we do away with surtax' to which John Bolton said 'But we've got a whole agenda here, and this is your first meeting and that's not the way we do things Mr. Irving'. And he said 'Well I still want to propose that we do away with surtax' and I think they talked for an hour, an hour and a half, debated it all and it was agreed and, I think, by everybody present. And I think I probably told you last time, and this may be apocryphal, that there were only 83 people who paid surtax in the Isle of Man and you had to earn over £2000 a year to do so, which, even allowing for inflation and the values and changing values of money, there was not a lot of people that made that sort of money. Mind you £2000 would have bought you something decent in those days and that's literally the start. Now at that time Sir Ronald Garvey I'm pretty certain was the Lieutenant Governor, who came I think from Fiji, and the story about him was he wrote to the Home Office and asked if there were any Governorships going. That's true, that's how he got it and he was very keen on turning the Island round because he probably realised early on that, you know this was some years ago now, what, almost seven or eight Governors ago, so its eight, four eights are, yes it's thirty or forty years I suppose, yes it must be, that's right.

RS Yes, indeed.

Mr.S ... that the Island wouldn't necessarily always be a tourist centre, perhaps he was very far sighted, but he certainly saw the advantages and I think he was very much, he was the sort of engine, if you like, and I think he had a great deal to do with the Isle of Man becoming what was then called, and now the words that they don't use, [a] tax haven. And of course it was J. B. Bolton who then pushed through this business of a change in surtax and it so coincidentally happened, I think I am right in saying, it must have been about the beginning of the sixties, from memory, which I may have said last time, that was the time of course when England, or the United Kingdom or whatever it was called, those days, was giving away, or returning the colonies.

RS Yes.

Mr.S And I think I mentioned that last time, didn't I, did I?

RS Yes you did, you mentioned that there were quite a few people came from Africa ...

Mr.S Oh, both East and West and amazing had their own portfolios for offshore citizens, which surprised me, but of course increased our business and kept me on the Island really.

RS It was of course in those days that you were very much involved in developing your own career and at a time when the climate was being created by which the Finance Sector could flourish. That is a long time ago, but could we just go back to the days immediately following these initiatives on surtax, the abolition of surtax and say what, in your opinion, were the major benefits of that, the early benefits.

Mr.S Well I think I'll just go back a little bit because in 1959 when I came back to the Island, as I told you before, I joined the family business. My father sent me to London where I was offered a junior partnership, for a lot of reasons, mostly because I knew some people that the boss didn't know, and there was the chairman of Eagle Star and he said - thought he was going to get some business, because I ran into Nicky Martin whom I'd been at 'Varsity with, and he said 'Oh hello Dursley', you know, and I said 'Hello Nicky' and the boss was so impressed - and he said 'Oh could you take me and introduce me to - which I did - to Sir Brian Martin and he then offered me a junior partnership and I must admit he offered me £5000 a year which was my life's ambition to earn that sort of money ...

RS A huge amount of money then.

Mr.S I was twenty-four, twenty-five. Anyway I came back to the Isle of Man and father paid me £250 a year which was slightly different ...

RS Yes, slight difference.

Mr.S ... and made me do the whole thing, as I told you, and he sent me up to London the next year, when I was in London. Now when I came back from London, because I had always wanted to come back to the Isle of Man, I'd always, I'd never thought of going anywhere else really, it never even entered my head, and it was very, very quiet, I think I told you there was no real contemporaries from my form at school living in the Isle of Man that I'm aware of.

RS They were all abroad.

Mr.S Well they had to be, because there was no work.

RS No work.

Mr.S No, the only people who were here in those early days were the people who were training to be accountants or advocates, and let's face it there was

nothing like the number of advocates and accountants that there are today. I mean literally a handful. So it was very quiet and I said to father after a while that if things didn't sort of buck up a bit I'd probably have to return to at least England, if not London, and I think I told you in those days most people bought Canadian shares, South African shares, Gilts, British Government Stocks and the Isle of Man Government Stocks, the Isle of Man Government had three Government issues, and the Irish Government Stocks. So it was all very, very quiet. Now what happened with the real advent of doing away with surtax meant that the conception, or the view of always increasing taxes changed radically, to the start, either known or unknown, conscious or sub-conscious, of reducing taxes. When I came back here I think I'm right in saying, and this could be checked on, I don't know if it's worth checking, the income tax here was 25, it was five shillings in the pound.

RS Five shillings in the pound?

Mr.S In those days, yes, I think it was five shillings, is that right, twenty-five per cent.

RS Twenty-five per cent.

Mr.S Twenty-five per cent it was, twenty-five per cent it was, not five shillings, twenty-five per cent, I think.

RS And that was in line with the UK?

Mr.S More or less, yes, well the UK was a bit more, it was always a bit more, but it was in line and this, as I said, was the first real concept or thought of reducing taxes, which of course some countries have learnt since, is the way to increase taxes, collection, because more people would give it, more people were not trying to fiddle it, not trying to avoid it, or evade it, they pay it and then as I said earlier, at the same time the Isle of Man was fortunate in the sense that the colonies were being done away with and an awful lot of people came from, ex-Brits partly, or whatever you'd like to call them, came to the Isle of Man and so the whole scene started to change and then it was, of course the early sixties when I started the Unit Trusts, not that that is relevant, but it is relevant in the sense that Doug Bolton, J.B.'s only son, he came back to the Island I think in '62.

RS Yes, as a qualified accountant?

Mr.S Yes I think he probably would have been by then because he was with W. H. Walker's in Liverpool, from memory I think.

RS Yes.

Mr.S I know he was thrown out of the army because he had a bad eye and the poor lad got kicked out of the army which I think he found a bit depressing. I think he was also kicked out of London University as well, I don't think he did any

work, Doug, in those days, and he came back to the Island and we used to meet every Monday morning because lots of people talked about things but nobody did anything, you know, it was all talk, talk, talk, like I'm doing now and we started – first of all I suggested we should have an investment trust, I think I explained that to you didn't I?

RS I'd like you to say more about that but you did touch on that last time.

Mr.S Do you want to do it now?

RS Yes please.

Mr.S Okay, well, the first investment trust in the Isle of Man was called Isle of Man and General Investment Trust. Sir Ralph Stevenson was chairman, Walter Kelly of the Balqueen, was on the Board, my father was on the Board, and I'm not sure, I think this fellow Kerruish who ended up in jail, not, he's no connection of course with **the** Kerruishes of today, he was actually on the Board, I think and I think Jimmy Manderson was on the Board, but that's as far as my memory goes on that. And the purpose of this was, in those days you could have £5000 of UK liable assets, making it very simple, before you were liable to English, what was called death duties.

RS Yes.

Mr.S But if of course you bought Manx shares in a Manx company, which invested in UK equities, or elsewhere, you avoided any death duties because you owned Manx assets in the event of death and this was quite a good idea but, being young and brash, I thought we could have another idea, that we'd form a second one which would invest in securities around the world, which did not attract UK tax at source, which of course the UK dividends did, and in the company you couldn't get anything back at all, still can't really.

RS Yes.

Mr.S So we then formed what was called Manx and Overseas Investment Trust and that was the second investment trust in the Isle of Man and to finish off the investment trust story because there have only been three publicly to my knowledge in all my time which I find disappointing, my brother formed the third one called Vannin International Securities, I think from memory, and that was much later because I know Roy Matthews, who was I think the first chairman, or certainly on the Board, and I know I was on the Board and I think Ronnie Buchanan was on the Board, from now Lorne House, and that was the third. Now in all three, the first one was taken over for cash because investment trusts often did and still do sell at a discount to estimate their asset value, ours, after another which is a separate story that one, Manx & Overseas, became eventually a holding company of Manx companies many years later, after an aborted take-over and all sorts of things, which was a slight scream in itself, and the third one, Vannin, was also taken over for cash. So sadly all the investment trusts came and went, which, to me, was a disappointment because Jersey has a lot of them. So that was in '64 we did ours.

RS It was extremely innovative at the time?

Mr.S It was for the Isle of Man, it was particularly innovative, especially the first one, it was a clever thought and that must have been the early sixties, that must have been at a guess '61, '62. We formed Manx & Overseas, '64, and Vannin was much, much later and then in '65 I told you I came up with this idea of the unit trusts, I think I went through this last time, didn't I?

RS You touched on it briefly, you also mentioned the name of Jim Slater?

Mr.S Yes, well, Jim goes back to Manx & Overseas, and what happened with Manx & Overseas, I think the first dividend we paid, or the early yield was something like 5% and 5% in those days was considered a good return, you know for that sort of investment, and we had no problem, I hate those two words, we had no difficulty in getting the income but after a year or two our net asset value was slipping because we were investing in fixed interest shares and although it was early days in the inflation rush, it was beginning to alter, or affect the outcome of the share price. So Doug Bolton and I rang up, or I rang up to see Jim Slater, now in those days Jim Slater was, it was Slater Walker I think ...

RS Slater Walker, yes

Mr.S ... and it was very early days, and he was in Curzon Street.

RS Peter Walker, yes, he became ...

Mr.S He became Lord Walker, whatever, and Jim Slater. And I remember ringing up Jim Slater and I said I'd like to come and see him and he said 'well' he said 'I can't see you for three weeks'. So I said 'well you can either see myself and my countryman ??? or you can't see us at all, it's as simple as that'. 'Well' he said 'I mean it will have to be six o'clock' and I said 'all right six o'clock' so we went to Curzon Street at six o'clock and it was my proudest moment because he thought I was the accountant and Doug was the stockbroker. Anyway we employed him and I must say for the first year he did tolerably well, I mean the market didn't do much, but he held the value and then he was what we call a licensed dealer and that's perfectly legitimate, but licensed dealers added their commission to the share price so in effect they were dealing as a principal, so if they bought a share at 20p and it cost 1p they would put it in at 21p. That's how they got their commission. But in those days we had what we call closing transactions and if you bought a share in one account and sold it in the same account you only paid one commission but Jim often, it always seemed, when we sought something and he was advising and it was under his management, whenever he seemed to buy something that it was always on a Friday in the account when he sold it so we had to pay two lots which used to get me slightly miffed, stupidly narked. Anyhow he did very well, tolerably well, and then I remember one day I was told by my people in Manchester that Ernest Scragg, which was a textile engineering company I think, going back a long time here, was not doing terribly well, I

mean it wasn't inside, I mean it was just generally everybody in Manchester knew, you see. So I rang Jim Slater's, and a whole pile of people who became very famous, all in jail out of that lot, a whole pile of them, I always remember one of them was married to a girl called Stott, no relation I'm pleased to say, he was in Changi ???sp prison, that fellow, anyway ...

RS Under different circumstances?

Mr.S Yes, he didn't sell our Ernest Scragg, instead he sold our Poseidon. Now in those days I don't suppose hardly anybody had heard of Poseidon and I think he bought them at, I can't remember seventeen bob or whatever price he paid, five bob, and I didn't particularly mind him selling them, I mean, the fact that they went to £120 was neither here or there, I mean it's no use worrying about that, but I had a feeling, and I've got to be careful in case I'm sued when I'm dead, that they went into a lot of Jim's funds, I'm not sure they did, but you know, and I was a bit narked because they kept the Ernest Scragg which went kaput, well not, but you know, went right down and of course the bloody Poseidon went up and I know, he was crying after it was done. I rang him up and I said 'I'm sacking you'. I think I must have been the first person to have, certainly in the Isle of Man, I was certainly one of the first in Britain to have ever sacked him. And I'm still in touch, I had him over, what, two years ago over to the Isle of Man.

RS Really?

Mr. S Yes, and his son.

RS And his son, yes of course he is very successful investment man.

Mr.S Oh yes, and Daddy's, Jim has, just retired at 73, and he's a bright lad. So those were the early days and you see there was nothing much in the Isle of Man in those days, I mean there were these three investment trusts, one, two, there were two, and then we started the unit trusts, when I think I told you, I rang this dear friend of mine, unfortunately dead, and said 'do you know anybody who runs Australian unit trusts?' and he said 'there's two up here', I'd better hadn't mention the other one, he said 'they're dead from the feet up', or the neck down, whichever way you care to look at it. He said 'there's two other boys formed this thing called Southern Cross' and their names were Forsythe and King. And he said 'they're both very bright' and it'll be what we rudely call an S or B job, you know, they'd either make it or not. And we, I contacted these people and they were at 65 London Wall, I remember that, and Richard whom, I still speak to him at least twice a week, he was at Cambridge just before me, and a very bright boy, he got a double first, and he was a good athlete, but they conned us into believing that they had to have 51% or they wouldn't help us, you see, and of course Doug I think probably said don't give it to them but we were naive and we were anxious to get it started so we did and the Board consisted of Thomas Edward Brownsdon, named after, known as T. E. Brown, he was our chairman, I made him chairman of a lot of things, he was chairman of Manx & Overseas, he was chairman of the Steam Packet,

and he was chairman of the Isle of Man Bank and I knew him and his family well but he was a very good chairman . And he was the chairman and we had on the Board, I'm not talking now of Manx & Overseas, I'm talking of Manx International Management, we had Edward Brownsdon, Sir Douglas Clague very kindly came on, Doug Bolton was the secretary, I was on the Board and of course King and Forsythe, and that meant control was in the Isle of Man because control in those days, as long you had more non-UK directors it didn't matter who owned the shares, the control was here. Today that's not the case. And we hoped to have had something like a quarter of a million in the first year and I'm now speaking purely from memory which may or may not be right but we had a million pounds.

RS Oh, Good heavens.

Mr.S And that was the first one, Palace ??? ??? . The second one we formed was Manx International Incomes, the third one we formed was Australian Minerals and I'm damned if I can think of the fourth and I actually asked Richard the other day and he couldn't remember, Doug couldn't remember so perhaps it wasn't very successful. So we had these four unit trusts and we had a chap called Robie Uniak ???name who was a character on his own, he was our salesman, and he used to go around the world selling these things. I mean you were legitimately allowed to do that, there weren't regulations in each country. I slightly objected to him when I found that we were not only paying for his newspapers, we were paying for his cigars as well and what really finished me with him, he used to come over to the Isle of Man and look through all the applications and stick his bloody stamp on them, but perhaps I'm being unkind. Anyway, but that was a highly successful thing and I think I told you how it started or why I started it?

RS I'd like you to go over that again please.

Mr.S Well when I was in London at this - with a firm called Hart and Co, W. H. Hart and Co, that's it, Leonard Rendell was the senior partner and Morrison was the second partner, and I asked Mr. Rendell, who was a great friend of my father's, I said 'could you take me to a top man', cocky as ever, 'in the unit trust world?' And he said 'who do you want?' and I said 'I don't want any minnions', I didn't use that word, I didn't know that word, obviously the boss man, you see, managing director, so he took me to a fellow called T. D. Mullins who ran the national group for Poulson. Poulson was the chairman ...

RS John Poulson?

Mr.S John Poulson, son of the architect, he went to jail eventually, and he died on a cruise ship, anyway that's another long story. I didn't meet him, and I always remember, I think again it must have been Throgmorton Street, but I went up these stairs and the dingy dark offices they used to have and was shown in to see Mr. Mullins you know so I sat down and said 'good afternoon sir' and he said 'yes what can I do for you my boy?' and I said, I said, 'well I've come to see you at the introduction of ...' and he said 'yes I know, Mr. Rendell,' and he said 'well why do you want to see me?' And I said 'well there are no unit

trusts in the Isle of Man', you see. So he said, 'oh yes', so he said 'well why should there be any' so I said 'well there's no capital gains tax for a start, no death duties, there's no stamp duties' and his eyes, I mean his eyes were like cash registers, I could see the pound notes, you know. So he said 'this is very interesting my boy', he said, 'how many people live there?' And I said 'about forty thousand' and it just closed like the till register, well, you know, the lid, a box, *thump*, he lost total interest.

Now that was 1960, I distinctly remember that, and again there was nobody here as I said and I must have been thinking about it and I think, have I told you this story, I realised that if you invested in Australia, the non-residents or withholding tax on dividends was 30%, or in English money six shillings in the pound, that's 30%, but if you had an income of less than £150 a year sterling from Australia you could reclaim the whole of the non-res. tax. And I must have had this on my mind because I kept, it must have been there and I thought oh well I can't do unit trusts it's disappointing and I woke up in the middle of the night and I remember shouting 'Australia'. Woke my wife up and she said to me 'for God's sake go back to sleep' and in the morning I woke up at six and I rang Doug Bolton and I said 'get yourself down to the office' and he said 'whatever for' and I said 'get down to the office'. So I went down and I explained this to him and he said, 'God' he said, 'I think you've actually got something here', he said, 'do you know anything about unit trusts' and I said 'no, but' I said 'there is a book by Sutchbury' who was the leading man, Sutchbury and I said 'read it'.

RS Delighted.

Mr.S Yes, and then of course we had to have a trust deed

RS Yes.

Mr.S And the trust deed was prepared, I can't remember who we used, it was probably my cousin's, or somebody, whoever we used, and T.W. Cain, oh we asked the bank to be trustees, we had to have a separate custodian, correctly in my opinion, and the lawyer, the advocate to the Isle of Man Bank was T. W. Cain, which was of course these people's uncle I think, was he, yes, probably their uncle, and I always remember going to see him, with Doug Bolton and he said 'you know I think you've got, done brilliantly here boys, this is a brilliant idea'. It wasn't us that had done it, I mean this was something, he thought we'd got a trust deed and everything you see and I said 'well, thank you very much sir, as long as you recommend it to the bank' and we went to see Mr. Cashen, I was very fond of Eddie Cashen, and Eddie said, 'oh I think this is marvellous' and I said 'yes, well we all should do well' and the corollary of that story, because I can go on for weeks as you know, the corollary of that story is that the London boys, we had these little leaflets which you just folded into four, and I've always been in great favour of, I've always found with ??? you can put them in a pocket, they're not thick big things and people will read them. Give them stuff this size, they've nowhere to put it, they chuck it, or they don't read it, and I said 'well could we get that done in the Isle of Man?' and these chaps were saying 'can anybody there do this, it's quality that we need', and I said 'well I think there's a young fellow that we call Bridson and

Horrox', but the film in the theatre, the advert, was Bridson [different pronunciation *i* rather than the Manx *ai*] and Horrox and I knew Ian Horrox and I know that when he took over his father's business it was in pretty, financially in a very dicky state.

RS Was it?

Mr.S Oh, Christ, yes, oh yes. And Ian started doing this printing which of course was a tremendous boost to him and I got, I asked London if he could do all our London printing and I mean he was printing millions for them and of course, and he was actually, and I was delighted, and I don't mean to be nasty, I mean I am very pleased that it sort of set him up and of course he is a very wealthy man if you call money wealth, success, today and that really got him off so it was very much a little Manx outfit and then, to not quite finish the story but near enough, after three years I think we had twenty million pounds which I think was ...

RS Good Lord.

Mr.S ... I may be wrong about this, but it was an enormous sum of money for those days, we'd come through the Poseidon and we were hellishly lucky you see, we'd just come through, the Poseidon boom was 1969, '70, that time, the end of the sixties, and then of course we had these Australian millions and, the other wasn't Australian, no we had two Australian trusts and International Incomes, oh International Incomes and some other International equities, something like that, so of course we'd hit it you know and the bloody units went like this so I mean we were just like, well we were lucky really, no we were, we were. I mean I've always been a lucky lad I mean there are times when you are and we were lucky. Now would you believe at about that time we had stacks of holders and unit holders and we were paying non-res. tax and we were paying agency taxes in Hong Kong, in Gibraltar, all over the world. So I went to the Finance Board which was J. B., certainly Clifford, I can't remember who was the third one, I don't think Mr. Radcliffe was on then, it was too early, maybe Percy, Percy Radcliffe, anyway we went to see them and we asked if we could have a dispensation so that the distributions, as they are called as you know in Unit Trusts, could be paid free of Manx tax because as you probably know any dividend that goes out of the Isle of Man has by law to have 20% tax deducted at source. 'Oh no', they said, 'we couldn't possibly do that, I mean that would be giving you people', not to be fair', you know. So I said 'well the reason we are asking for it Mr. Chairman is because we are paying extra to have the name of the Isle of Man advertised round the world which you are not paying for and I mean this is just a wonderful thing and the units are performing, I hope you have got some', you know this bullshit and stuff. 'Oh no, no, no, no, no'. So I said 'well could we have another meeting', you see, you have to, you know, play these boys at their own game, right. So they said 'oh yes, yes, yes, yes, we'll have one', so I brought over the London people, you know, sort of the big lawyers and we put the case again and they said, and I'll never forget this, they said, 'of course', you know, 'you can pay it, gross, certainly'. I couldn't believe it, but I learnt a lesson, anyway, so we

were the first of course to distribute gross without Manx tax and that concession still applies today.

RS Really, yes.

Mr.S And that's how we got it and also in 1969, I'm pretty certain of this, we were the first offshore Island, to my knowledge, and I'm certain I'm right, to pass the Prevention of Fraud Investment Act. We were the first, I mean these things are forgotten today, yet although Jersey and Guernsey have always been ahead of us because they had a head start, after the war, for other reasons, I mean we were, we were very early in some of our things.

RS '69?

Mr.S It was '69, the Prevention of Fraud Investment Act was 1969, to my knowledge. Then, would you believe, we were really rattling then, I mean, God, we were making so much money I mean it was unbelievable, well I mean, the dividends we were getting in for ourselves, you know, Doug and I had I think 10% each, or something, and we gave 5% to, it would be 15% wouldn't it, to Edward Brownsdon, maybe Doug and I had 15%, we gave 5% to Brownsdon, that would be 35%, 5% to Dougie Clague, that would be 40% and we passed, we splashed a few percentage around to some of the others, staff, you know who were working and those other buggers had 51% you see. Well would you believe, and this is God's gospel truth, there were only three big unit trust management companies in Britain at the time, national groups, dealing bonds, Save and Prosper ...

RS Save and Prosper.

Mr.S ... his name was James Maitland and the other was M & G, and his name was Paramount, ??? *name* Edgar Paramount, I remember him well.

RS Yes, my father was with them ...

Mr.S Really.

RS ... was in investment ...

Mr.S Now Paramount was the man, well would you believe I saw them and the Palace must have been built, I don't know when the Palace was built actually,

RS I wasn't around at that time.

Mr.S Yes it must have been because it was the early sixties that we sold out of our holdings in the Palace, yes, so the Palace Company was a hotel by then, and I can remember to this day, Edgar Paramount and driving down and they all saw it and they all wanted to buy a management company and my £5 or £10 would have been worth £250,000 which you know would, to me, it still is, was a total fortune, sad but they were all too greedy you see, they were all doing too well, the boys in London didn't want to sell it because it was making a fortune for

them offshore, Doug was doing well out of it doing the audits, and things, I was doing a few quid out of it, Ian, everybody was doing well out of it and I was the only one, and I said well 'if you got three buyers, you'd only need two, sell it', and they wouldn't sell it so we then ran it for some more considerable years, after a very short period I think, I think London United Investments bought it, but I'll describe that one in a minute, and they in turn sold it to Barclays Unicorn, so Doug and I then became directors of Barclays Unicorn in the Isle of Man, only of the Unicorn offshore and then it ended up and I know the two trusts that, I think Warburgs, somebody name of Pills ??? *name* had a couple of trusts I think, I think it was Warburg, and they bought our, they bought the other two, well they'd mixed them all, I said it was silly having an income trust here and one in Jersey, so they started sorting them out. I then, I was put on the advisory committee for their investments but, this will probably end them up in jail, but I mean really it was just they more or less did it, well they may have asked you would it be all right, and perhaps they didn't but it seemed to me to be a waste of time, I mean I wasn't getting anything and I had to make all these decisions and see all this lovely commission go elsewhere and I was getting a bit narky you know what I mean. Certainly in the end I said to hell with this and they moved them I think to Luxembourg sadly. I mean not only just from the Isle of Man's point of view, but I don't think that was a very clever move. And to just finish the story which I think I probably told you, the first chairman of Barclays Unicorn in the Isle of Man was Sir Fraser, Paterson Fraser, Air Vice Marshal, and he's a good chap and then he retired. And Barclays were always having retirement parties over here, they were clever, they had Barclays Unicorn, they had Barclays Finance, they had Barclays Bank Isle of Man and they had something else and what they did, I assume intentionally, they had sort of quite well known people who knew all the investments, from all round the Island, on all of these boards, not the same ones, but different ones, so one from Ramsey on this one, one from ... so of course they had tentacles all round the island, meeting people, and they always had retirement parties and of course we were giving all sorts of things away ... so anyway that was quite entertaining but when old Paterson Fraser retired they brought over this chap, all I can remember was it was a double barrelled name, this must have been in the mid-seventies now, maybe later, and he had our names on a bit of paper so he knew where we were round the desk and he said, he said, 'I've had my, my marketing people, you know, look at these trusts over here and after a lot of work and consideration and feasibility studies I'm going to change the name you know to Barclays Unicorn Manx Jersey Australian trusts and so on, Barclays Unicorn Manx International, Barclays Unicorn'. So I said 'excuse me Mr. Chairman are you being serious?' you see. And he looked and he said startled he said 'what do you mean am I being serious?' and I said well have you thought of the initials?' He said 'what do you mean, what do you mean?' and I said 'I know they haven't performed very well but to call them the BUM Trust!' They hadn't seriously thought of that, now I mean, that is quite remarkable, isn't it? So that was the story of the unit trusts and of course I know there's not so many here now but if you look at the insurance companies like CMI and Skandia, Royal Life, Sun Life, I mean the unit trust, or whatever they call oecis these days, it's an awful name, isn't it, or whatever, but that, collective schemes, they must, in the Isle of Man's terms, on anybody's terms, must be

worth not millions but billions of pounds today. And it just came from that funny idea in the middle of the night, somebody else would have thought of it, it just so happened that mine was sort of vaguely there, and I was the person who was lucky enough to, so I suppose in a conceited way that's possibly the biggest contribution I made to the Finance Sector in an odd sort of way really.

RS I find, I think that is an amazing story, Dursley. I think the amazing thing of all is that it actually did begin on the Isle of Man and we ...

Mr.S The unit trusts didn't begin on the Isle of Man but this thing did.

RS Yes, but the growth of the monies on deposit since that time has become phenomenal. You mention millions of pounds ...

Mr.S Billions I think.

RS ... but it really is an amazing development.

Mr.S Well the big advantage of that particular effort was that we were advertising the Isle of Man around the world you see.

RS Exactly, yes.

Mr.S We used, technically under the Prevention of Fraud Investment Act you could only send leaflets to lawyers, or whoever was qualified, there were lawyers, stockbrokers and something else, not accountants strangely enough, maybe rightly, and you could, but they had to ask you but I mean we were sending leaflets round all over the world so the Isle of Man which was really not known - I mean somebody very kindly said recently, at some dinner I was speaking at, they introduced me and said that they know that when the Isle of Man started as a Finance Sector, one of the few people, if not the only person who was going to London who was telling people about the Isle of Man in the city was Dursley Stott. Now funnily enough I did go because I was amazed, and something that amazes people is that some people didn't even know where the Isle of Man was, I mean it was all 'is it near the south, south coast, you know, near?', 'that's the Isle of Wight actually', dear God, what's your place again, where is it - oh near Liverpool ... oh well, yes, yes, right...' and so on.

RS I can well imagine.

Mr. S Well I mean they just didn't and I used to spend ...

RS It's not that well known today.

Mr.S And then I took Doug with me and the two of us used to go up about once a month you know. Mind you we got quite a lot of business from London in those days, you know, from various sources. But I think if, although again it sounds big-headed, but I think we were very much the early people who started flogging the Isle of Man as an offshore centre, we met some dodgy people but to be honest we were all dodgy people!

RS Can I ask you, how did you find the political support for these initiatives because that's what they are, they were very great initiatives bringing the money into the Island.

Mr.S I think there were certain politicians who accepted and thought that they must do something because although it was a bit early days to forecast the demise of the tourist industry, it didn't need an awful lot of - it's always easy, always clever, easy to look back but I mean when you saw the advent of planes and the cheaper flights and the distances people could fly as opposed to these poor blokes and girls who got two weeks holiday a year, in Lancashire and Glasgow, you know, to come to the Isle of Man, it was going abroad, I mean it was actually an exciting two weeks, but now these days they can go [anywhere] - I think they must have sensed that they had to find some other string to the bow because fishing and agriculture has never been large for centuries now and then the tourism lasted for nearly a century, didn't it?

RS Yes, about that.

Mr.S Not quite, perhaps a bit short - and I think they were, but you always got and still, not as much now, but you always got a lot of anti-feeling against this because it meant people were coming to live in the Isle of Man from all over the world and the Manx people didn't really like that very much.

RS Yes.

Mr.S And there were times when they had reason, as I think I mentioned to you before, I mean the house that we thought was worth fifteen thousand, somebody coming up with - I'm exaggerating - money, I don't know the exact, but they would pay thirty, something we thought was about twenty-five they would pay fifty, so it ended up that the kids, young couples, Manx couples, couldn't buy anything and that's when we had the *Fo Halloo* business and that must have been late sixties, early seventies again, I don't know when, and as you know that [*Fo Halloo*] means underground.

RS Caused bad feeling?

Mr.S Oh, by God it did, and even a few years ago I went to some - I was talking at some organisation, some fancy name, but John Gelling was something to do with it, from Crosby, and they were talking about whether the finance industry was a benefit or not to the Isle of Man, and I obviously think it is, and it certainly was and gave people work, that people who wanted could come back, and I mean I could feel, and this was only a few years ago, two or three, four, five, time rushes now, but I could feel the hatred in the room from some people ...

RS Really?

Mr.S I mean this was recently, you know, fairly recently. And in the end I got very annoyed, I think it was at poor old Margery Joughin or some such person, and

said, you know, 'if it hadn't been for this Margery, you would be lucky enough not to hear me tonight, you'd be lucky enough to be here on your own possibly' and I said 'you cannot have progress without change' and I said 'we have to live on our wits here, here in the Isle of Man'. But a big advantage it has given work to a lot of Manx people, or local people, now a definition of that, and could come back which they could never have done that in my day, there was very few that could come back. So I think it has been a wonderful thing for the Isle of Man, I mean I know it's got its faults but you tell me something that hasn't.

RS It has transformed the economy, hasn't it?

Mr.S Absolutely.

RS It has given us, as you say, given people opportunity, and those that want to stay can stay. I think the great thing as well, it has provided for everybody who has, and the Isle of Man goes from strength to strength and you look at the economy today, you can remember the days when there was very little. Looking back I mean there's quite a transformation, and when you consider your own part in that ...

Mr.S It's tremendous, I mean the change really has been from – I can remember walking with my fiancée as she was then, or maybe we were married, we've been married a long time, coming out of the Crescent Cinema, so it must have been the late fifties or the early, certainly in the sixties, and there were young couples, young men mostly, walking along the pavement arm in arm, and you didn't dare go in front of them, they just walked over you.

RS Really?

Mr.S That was the – it became, you know, quite rough, and that's when it was introduced, the birch, and I think you know why they introduced the birch, the chap on the promenade was being beaten up, with this private policeman ...

RS Yes.

Mr.S ... and then they gave him the birch, purely for crimes of violence, unlike the rest of the world, they think we used to give it to everybody if they looked at you, but it was becoming very, what's the word, slobby isn't quite right, they weren't totally slobbs or even yobs, they were just noisy, drunken louts, I thought, and you know there was this influx which was getting worse and worse, I mean ...

RS Was it really?

Mr.S Well when I was a younger man these people even, well look at that thing up on the wall there, you know they were really pleasantly dressed, the best they could, they weren't wealthy, it didn't matter, they were nice people. You didn't have, you had the odd scuffle in the bar, but not often but this was becoming very prevalent. So it was very fortunate to see that change, you

know, from the rough end of tourism, because we always got a bit of the rough end, because we sort of set ourselves up in the wrong direction, by chance and for lots of very good reasons, and then moved towards the Finance Sector who had the bitterness of the housing situation, we had the bitterness that our habits, customs have changed, not completely because the Isle of Man has a gift of its own, I mean the Manx people allow people to join them or not, it's their own choice, but it's obviously changed, you don't hear the Manx accent, as I've told you before, very often now, sadly. But then you know it's also brought huge amounts of benefits which I have seen.

RS Yes absolutely.

Mr. S ... so I mean, I'm saddened to see the old Palace Ballroom being knocked down, the old Metropole, because my grandfather built that block, my great grandfather built the Palace Lido, not the Lido [pronouncing the word lido as opposed to leedo] as people will call it, the Lido, I hate these wrong names, which was the ballroom, they built all that and I as you know I told you they had tremendous foresight because they bought a bit of the promenade, they started up all the entertainments and after the war, World War II, they owned every cinema, they bought every cinema in the end, they had the lot, very monopolistic, and they had the Gaiety, the Crescent Pavilion, they had Derby Castle, they had the Palace Ballroom, the Theatre, they had Onchan Head, they had Ramsey something or other, I mean it was really, I mean in their own way they achieved a great deal. You might say monopolistic, because I know my father used to play hell that the Villa Marina had an advantage because it was supported by the rates, he thought this was ghastly, unfair competition. And those days of course people did dance and it was good pretty clean fun I thought, and it was a live and entertaining place in the summer, but deadly dull in the winter. But I always played other things, rugby and so on, whatever, so it didn't worry me, I didn't bother very much about it, I mean I've always loved the Isle of Man and I still do. I think it's lucky to have lived here. However there's been a big change and I think for the better. What I think we should do now, which is, perhaps we're advancing too quickly, you see Manx people and I'm one of them, don't want to see it change too drastically but I honestly do believe that if you can hit a number, which is just a pure guess, because I haven't done any studies on it, I do think that subject to all the problems, we do need 100,000 people in the Isle of Man.

RS You think that would be a comfortable figure?

Mr.S Well I don't know how you keep it at a hundred, I think that's the politicians' problem now, I think it's way over the seventy they think it is, to be honest, and I am terrified of the appalling traffic problems we have for a little Island and all the other things that we have and the way people drive and all the rest of it but I think 100,000 seems to me to be a figure that would support the economy, obviously better than it does now, it would mean - the facilities I think are remarkable for 70,000.

RS Absolutely.

Mr.S I mean to what we have for 70,000 people I think it is out of this world, and I don't think we give ourselves credit enough.

RS No. I think it is an amazing achievement.

Mr.S I do too, but 100,000 I think would make the shops that little bit better, they could stock a bit more than they can afford to do because I've been in that business, I mean you should turn your stock at least six and a half times a year, here in some shops you are lucky if you turn your stock one and a half really and that's hard going. I mean it depends on the shop, but I mean I think 100,000 would just support a bit more of the entertainments, it would support the Gaiety a bit more, which I think is a wonderful place, you know I think it would support the shops, it would support the economy, it would support the travel. I think it would just make that little difference, I mean a jump from forty to seventy, well I think it's very nearly eighty actually but ...

RS Yes I do as well.

Mr.S I think it's doubled and perhaps another twenty would just be the straw, but there's loads of room if it was properly planned, but that's another big thing, it does need proper planning. I am a little worried at the moment, though, I think we're scuttling along a bit fast and I think the property prices are pretty high at the moment.

RS Do you, well we may as well touch on this one, while you've mentioned that ...

Mr.S I've got to go in a minute.

RS Yes, of course. Could I just ask you about the various booms there have been in property prices, you mentioned earlier the incomers from Africa and other parts of the colonial empire, or the commonwealth, inflating prices, you have seen other property booms, what about this one?

Mr.S Well you've got an unusual situation here in the Isle of Man, I mean, we are a recognised off shore centre now, there's a thousand problems at the moment with the OECD and EU but we'll leave those ...

RS Well I'd like to come back to those sometime.

Mr.S Yes, but to go back to this problem, I mean what makes me very nervous is - there's a number of things - there's huge amounts of mergers and acquisitions going on in the world, with the consequence of people losing jobs left, right and centre, there are others being employed, I will admit, I mean there was 500 employed by some car company down in Southampton or some transit van company, I presume it is because more stuff is smuggling across the Channel, but that's only 500 jobs. But had this happened a few years ago, ten years ago, the unions would have been, there'd have been strikes galore, maybe fifteen years, I mean strikes - nowadays it seems to me to be accepted that if Legal and General which say has a representation in the Isle of Man,

merges with CGU in the Isle of Man, that'll take out 500 jobs or 100 jobs, now I think that's a worrying consequence for the free world which has service industries which Britain now relies on, forget the manufacturing industries, with respect, we're not in that now, service industries, and that bothers me a bit in the Isle of Man, that if we suddenly get, well you had Merrill Lynch and Mercury merge, say some of the other big companies, the insurance companies merge, they don't need as many people, you know I'm just a little worried that that could reduce the number of vacancies, or positions, I mean there's loads of positions at the moment, no vacancies, so it's a sellers market. But you could then, if it was severe enough, or if the OECD or the EU sort of affects us - I read in the papers yesterday, although you don't necessarily believe what you read, that Brown, according to the *Telegraph* or the 'Torygraph', has agreed with the EU that we cannot reduce taxes in England without their permission. Now I don't know if that's true, if it is I think it's appalling and b) I think it's even more appalling that this was done on the 28th Feb. so the paper said, and not been announced until now, I think it was underhand, I don't like that stuff at all. Labour don't think about that. Now if all of these things do happen and the Isle of Man suffers, or as I probably bumbled to you before, if I get all my valuations done in time, one overnight at a fourpenny price compared to what I am paying, I think a lot of people could do this which will mean less than product for people here for example, then to come back to your property, most of the big ones here, whatever they say about their faith in the Isle of Man, this, that and the other, the new properties, a lot of these properties are leased.

RS Are they?

Mr.S It would be worth somebody, just as a little side study, not necessarily to be published, it would be worth looking to see if Royal Life owns that building, I'm not saying they do or they don't, I don't know, if Sun Life owns their building, or do they lease them.

RS Yes.

Mr.S Now if they lease them, and maybe ten, fifteen years or whatever of their lease, they wouldn't like to lose it, the money, but on the other hand if there was nothing here to do, it's cheaper to do that than stay, isn't it?

RS Yes.

Mr.S Pay 500 staff you can't afford to pay.

RS Yes indeed.

Mr.S So that bothers me, I mean, and perhaps that's being very pessimistic, but it is, I mean one thing I've learnt when everything looks rosy, look out.

RS That's good advice.

Mr.S And when everything looks bad get in there because once everything looks right it can only go one way actually, and that's normally down, so perhaps I'm being very pessimistic because I love the place, but I just get a little twitchy and therefore I think a lot of these prices, I'd be a seller of property at the moment, I may be wrong of course and you certainly would be wrong in the long term as well, I mean to say they ain't making any more, land, but you know what I mean, at the moment I think it's high enough myself, but you can work a thousand ways. I mean when labour can get £10, I mean I don't begrudge them this £10, £13 an hour an ordinary labourer, you're paying money, you're paying big money.

RS Yes it is, yes.

Mr.S And I believe that the highest price of agricultural land was in 1860 at the start of the downfall in England, well, at the time I don't like - it was the beginning of the up - the Industrial Revolution.

RS The great agricultural depression.

Mr.S Yes and that's when land was dearer then than it has been since.

RS Yes indeed.

Mr.S Which is quite remarkable if you take out a pound for what it was and what it is, it's quite incredible that. So I'm a little nervous at the moment so therefore, being cautious but a gambler as well, I think I would be, I personally wouldn't build anything myself at the moment, I mean I know we're doing an extension, but I wouldn't personally spec build unless I had - I would only build to order, if I was building. My brother, and I can't speak for him now, I'm certainly not his keeper, but I notice he has quietened down a bit, I mean he and Roy were building in Port Erin, Port St. Mary, Douglas and they may have bought themselves bits and pieces elsewhere but they're not doing - have you noticed - they're not doing any at the moment.

RS I have noticed.

Mr.S I think that could be a bit of Manx crab, mind you, 'doing too well, yessir' ...

RS Yes.

Mr.S ... My God, aye, aye, it's not on doing that Stotty boy'. ??? I think it's a bit of that but I think equally they've very sensibly drawn their horns in. I'm sorry I'm going to have to go.

RS Dursley, that was a fascinating talk.

Mr.S Oh I can talk for weeks, you know. Forty-five minutes, I could sit here all day, I know you've got to dash off, thank you very much.

Mr.S It's a pleasure, thank you.