

GLOBAL OUTPOST

The Working Class Experience of Big Business
in the North East of England 1964 - 1979

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A FACTORY MUST CLOSE

Your Lord Armstrongs and your Lord Londonderrys
Had hands and feet and faces,
Which you engineers or pitmen
Could recognise and fight.
They had offices and country homes
And dressed up for the races,
They were flesh and blood just like the men
They knew how to exploit.

There's a message on the Telex
From an office in Manhattan,
Which is filed for future reference
At the shareholders request
On the telephone from Tokio
A broad Australian accent
Needs to know the market trends
And where to best invest.

Your Swans and Hunters, Palmers too
Were known to every worker,
From carpenter to wages clerk
And boilermaker's mate,
In boom time or in slump time,
In short time or in overtime.
They knew the Master's name fine.
They knew just who to hate.

A Concorde lands in Paris,
And a briefcase clicks from Stateside
On the briefcase lies a paper,
The accountant clearly shows
The position is untenable,
The market is unviable,
The profits unreliable,
The outcome undeniable,
A factory must close.

This song was written by Alex Glasgow and appeared
in the "Save Scotswood" Campaign Bulletin No. 11.

SUMMARY

1. This is a preliminary and, unfinished, "discussion document", published now in the hope that it will encourage debate over the future prospects of the people who live in the North East. A "final report" will be produced in 1980.
2. This report is based upon discussions with people (union officials, shop stewards, managers and workers) in ten firms with plants operating in the new "multinational sector" of the North East's economy. It is written in a way which tries to convey the views and experiences of these people, and the report's conclusions have a general relevance to an evaluation of economic planning within the region as a whole.
3. While the reorganisation of the area's economy has been influenced by state planning, this plan never covered the kind of industry that was attracted to the region. One of the "advantages" of the North East was the presence (continuously advertised) of a "pool of labour" - male and female - created by the rundown of the region's traditional industries. In a period of economic expansion this "pool of labour" is generally seen as being of major importance in determining the location of new plant in the area. One of the consequences of this has been the growth of a large, low wage sector, based on female (and often part-time) labour. Another relates to the general character of this new manufacturing base. Of the ten firms examined only one clearly operated with a policy for integrating its production processes into the regional economy of the North East. The other nine (to varying degrees) operated as branch factories within the context of their parent corporation. The new manufacturing base therefore is not an integrated one. The traditional local economy has been replaced by a series of discrete "multinational outposts", and is (as a series of plant closures has shown) highly unstable. This is all the more problematic given the continued rundown of the areas traditional industries. A new "pool of labour" is being created, this time with little hope of employment.
4. The shop steward committees and trade union officials who represent the workers in these plants find that major decision making takes place over the heads of local management. They complain of too little information on the company's plans, and of the difficulty of establishing meaningful collective bargaining. Furthermore it is generally the case that there is little contact between workers in the North East plant and other of the company's plants operating throughout the country. It is clear that trade union organisations will increasingly require more detailed research and more systematic information on the companies they deal with. It is clear too that this will need to come from their own resources. The GMWU's research into the activities of the Dunlop Corporation in the European market is an example of what

needs to be done. Even in this case though the information was provided too late. Company's like Dunlop operate with long term plans; the key decisions are taken years before.

5. While nationalisation produced a betterment in the material conditions of coalminers, the fact that the N.C.B. produced such a dramatic rundown of the pits has left its mark. This rundown, alongside the experience of the new planning has created a degree of disillusionment in this, the staunchest of Labour strongholds. The most dramatic example of this is found at Spennymoor where the Black and Decker corporation has successfully resisted attempts to unionise the factory.
6. The "new manufacturing base" created in the North East is a dependent economy built around branch plants of multinational corporations. This has been a dramatic change and the institutions of the labour movement need to adapt to that change. The main conclusion of the report stresses the need for all trade union organisations in the region to come together with the aim of facilitating and making demands for an alternative plan based upon the needs of all the people of the area.

INTRODUCTION

Between 1964 and 1978 the economy of the North East was transformed: traditional industry was run down and new industry established. In large part this "new economy" was based upon the subsidiaries of multi-national corporations. As with the traditional sector, however, redundancies and closures have made clear the vulnerability of workers in the new industry. The old problems have taken new forms and as a consequence have posed some deep questions for the labour movement.

This report attempts to convey something of the changes and the problems. It is based upon discussions with trade union officials, shop stewards, managers and rank and file workers in the new "corporate sector". Principally it draws upon evidence from ten major corporations whose activities span the telecommunications, textiles, mechanical and electrical engineering, light engineering, clothing, building manufacturing, glass, rubber and food industries.

It is important to make clear at the outset that this document is seen as a first step in a process. The final result should be a report which adequately registers the changes which have taken place in the "economic structure" of the area through the words and experiences of its people. So it is called a "discussion document" for a reason. It is written loosely and its conclusions are tentative; the hope being that this will help create comment. To this end also, we have been concerned to keep the document to a reasonable length (to the point of excluding some evidence and information). If we have been successful, people reading this will come forward with more information, with alternative interpretations and with suggestions for other areas of investigations. In short we hope there will be discussion and argument, and some reflection too on the lessons to be learned by the labour movement in the North East from the experiences of the last twenty years.

The research, of which this report is a part, is funded by the Social Science Research Council. In carrying out this work we have received help from many people. We owe a special thanks to the research department of the GMWU at Thorne House in Newcastle who provided us with much useful information. The plant managers we have contacted have, in the main, been courteous and helpful and we would like to thank them too. Also the shop stewards and union officials who responded so warmly and openly to our persistent questioning. We are looking forward very much to meeting with them again. We hope that they all (in their different ways) think this report has something worthwhile to offer.

PART ONE / 5.

Global Outpost, T. Austin &
H. Beynon

ONE

THE NORTH EAST: A "PROBLEM REGION"

"The development areas of 1978 contain all the special areas of 1934 and in spite of the Regional policy, the assisted regions are still characterised by above average unemployment, below average incomes and migration loss"¹.

The idea of the "regional problem" became firmly established in the 1930's when certain parts of the country were designated as "special areas". The North East was one such area and it has remained - over the intervening years - as one of the places facing special problems associated with decaying industry, rundown and unemployment. County Durham (and the Durham Coalfield) is a clear example of this. In the 1930's unemployment amongst miners was one of the highest in the country. In 1932 the rate of unemployment throughout West Durham stood at 45.8%. In towns like Crook almost half the workforce were unemployed. Today, in spite of decades of regional support, the people of this town, and this area, still experience twice the national average of unemployment. However, unlike the 1930's when unemployment in Co. Durham was a consequence of collapse in just one industry - coal - the present situation reflects closures and recession across the range of manufacturing industry attracted to the area since 1964. While unemployment rates are much less dramatic than in 1932, the prospects for the area, and its people, are just as bleak. Throughout the county, active trade unionists talk of representing a "frightened labour force" and, like the 1930's again people - confirmed "Geordies" who have no wish to move - are talking of moving South (or abroad) in search of work. Amongst skilled men this trend has already begun. Men regularly leave Seaham for work in Poland and West Germany. In Sunderland skilled men leave for work in the Midlands. The situation is serious enough for the Sunderland Echo to carry a regular column on the "skill spill".

1. R.R. Mackay, "Planning for Balance, Regional Policy and Regional Employment; The U.K. Experience", Discussion Paper No. 18, centre for urban Workers and Regional Development Studies, Newcastle upon Tyne, 1978.



There is another sense in which the present crisis (and the situation merits that description) differs from the 1930's. In the 1930's the idea of socialist planning and regional support appeared to offer hope to working class people for a more balanced and equitable economic development. As we approach the 1980's it is difficult to retain that optimism. "Socialist planning" seems to have failed, and in its place we are offered the free market place once again. This makes it all the more important to ask "What has happened?" "What has gone wrong?" To do so is to consider the possibility of new initiatives (on the political and industrial front) that could reaffirm an independent working class politics, rebuilding the hopes of the past and securing the future.

The Northern Region was built around five main industries; mining, steel, shipbuilding, engineering and chemicals. In the post war period all, except chemicals, have in their different ways proven vulnerable. International capitalism has dictated the needs for rationalisation of production. For the North East rationalisation has meant run down. The decline and increasing vulnerability of shipbuilding in the area is a clear example of this. So is the restructuring that has taken place on the Durham Coalfield. In 1927, 128,283 men were employed in the mines, in 1947 108,900 remained. The figure remained above 100,000 into the 1950's but was quickly halved by Lord Robens' "ten year stint" at the coalboard. In 1967 there were 57,000 miners employed and by 1975 their number was halved again to 25,000. Today the figure is nearer 15,000. While there were over 150 collieries operating in the Coalfield at the end of the war, today just nineteen remain.

In Britain rationalisation of this dimension would have been politically impossible under private enterprise and the old coal owners. Nationalisation was the solution for the pits and it has been followed in steel and the shipyards (but not the profitable chemical industry). But nationalisation alone wasn't enough. This couldn't provide new industry. A new industrial base required the detailed involvement of national and local government in the planning of industrial development and change. Hailsham's "cloth cap" visit to the North East in 1963 was a clear example of this national involvement. But such plans at national level required the support of new "modernising" local authorities, deeply involved in the business of economic planning. The Durham County Council produced its own detailed plan (1951) for the social reorganisation of the county - a reorganisation aimed at producing "pools of Labour" that fitted it to the needs of the new industry. The area was to be "modernised", and Smith's image of Newcastle gelled with talk of new towns at Peterlee and Washington as part of a new, prosperous, technologically based North East. This then was to be the solution to uneven development in Britain. A solution which gained the support and backing of all trade union and Labour controlled authorities in the depressed regions.

In the North East a great deal was done to attract new industry. People in Co. Durham moved away from the declining west of the coalfield, or agreed to travel great distances. "Pools of Labour" were created around centres like Spennymoor in the South West of the county and Peterlee on the East coast. Council housing policies, such as the Bessemer Park scheme in Spennymoor, were tailored to this development as was road building and the whole system of communication within the county. On top of this, companies

Big or small come one come all Where? to Sunderland of course!

Any industrialist shopping around for a new workshop nursery unit, factory or site would do well to start at Sunderland. There is everything here from a small workshop to a green field site. In addition there is an advisory service from the Borough Council which covers such matters as housing, education, planning, public utility services, finance and banking, insurance, supply of materials and services, port and airport facilities and contact with local professional services.

Workshops and factories of up to 25,000 square feet are currently available and whilst many are the subject of negotiation more are in the course of building and at the planning stage.

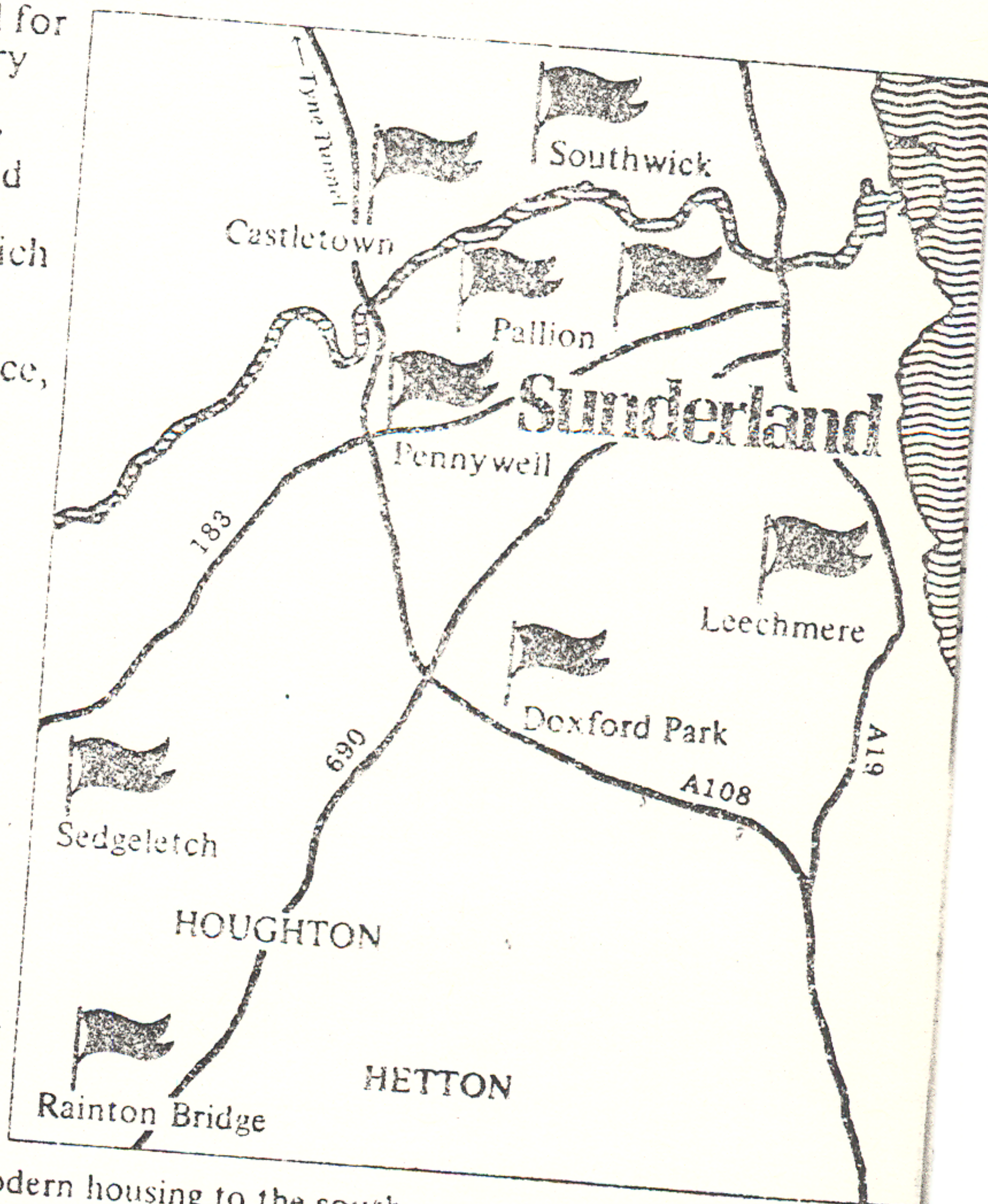
Sites are available at:—

- Doxford Park.** An estate linked to attractive modern housing to the south west of the inner urban area. Sites available for selected prestige developments only.
- Leechmere West.** A small estate adjacent to the coastal road (A19). Suitable for small industrial developments.
- Castletown.** A new development in a superb location for industries requiring immediate access to the main A108 north-south dual carriageway and to Washington New Town.
- Rainton Bridge.** A total of some 150 acres for a single large development and projects requiring about 5 acres.
- Washington.** The New Town has a number of estates on which sites are still available.

Borough of Sunderland



For further information contact
Barry G. Syrett
Industrial Development Officer, Borough
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The assisted areas

Special development area



Development area



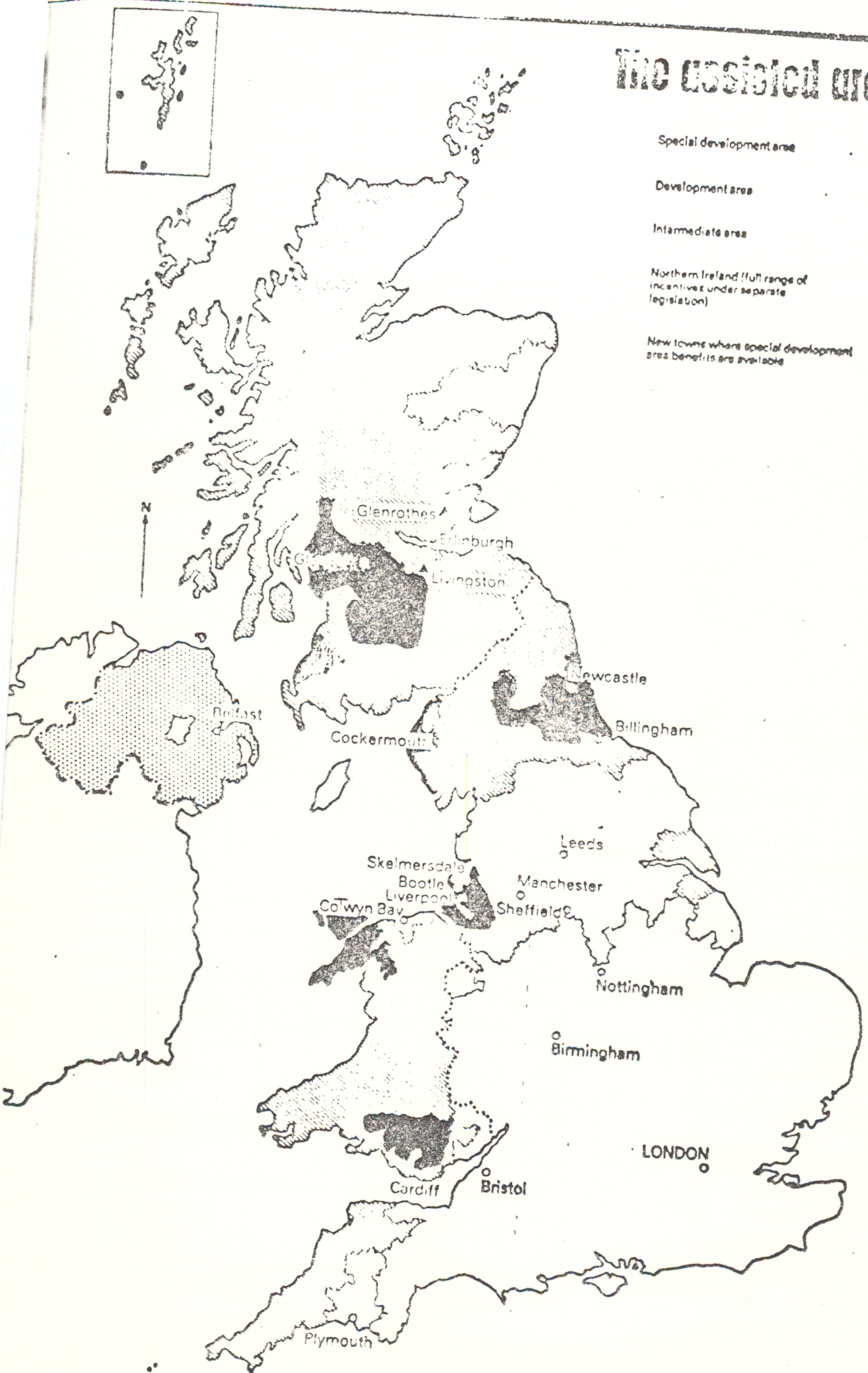
Intermediate area



Northern Ireland (full range of incentives under separate legislation)



New towns where special development area benefits are available



were offered a variety of financial incentives to set up shop in the North. The extent of this aid was as various as it was large (see Table 1). A Regional Development Grant offered a capital subsidy of 22 per cent on all new plant and machinery; factories were provided rent free through the English Industrial Estates Corporation; borrowing was eased through the provision of low interest loans. All this was pushed further in 1972 when, under section 7 of the Industry Act a wide variety of "selective financial assistance" was made available to companies developing in the depressed areas.

TABLE 1

GOVERNMENT SUPPORT FOR INDUSTRY AND EMPLOYMENT 1972/79

	1972/3	1973/4	1974/5	1975/6	1976/7	1977/8	Planned 1979
Regional Support	352	534	655	755	706	564	654
Industrial Innovation	434	422	432	418	301	254	249
General Industrial Support	77	690	464	645	428	353	589
Nationalised Industrial Support	268	1,166	1,060	181	140	104	96
Labour Market	308	248	285	468	652	946	952
Other	117	150	139	137	148	176	154
	2,257	3,209	3,035	2,603	2,374	2,396	2,693

*excluding BP transactions

Source: Government Expenditure Plans 1977/78

As a result of all this the "company directory" of the North East has changed dramatically; most of the major international companies (outside of the car industry) now have plants operating in the region.

TABLE II

Some of the Large Firms that expanded subsidiaries in the Old County Durham area 1963-1969*

Associated Biscuits	Peterlee
Black & Decker	Spennymoor
Cape Universal	Bowburn
Caterpillar	Birtley
Coca Cola	Durham
Corning Glass	Sunderland
Courtaulds	Spennymoor and Durham
Clix Fasteners (IMI)	Peterlee
Dunlop-Pirelli	Washington
G.E.C./A.E.I.	Birtley
Grundfos	Washington
I.B.M.	Peterlee
Monsanto	Crook
Mullard	Durham
Phillips	Washington
Plessey	Sunderland and South Shields
R.C.A.	Washington
Spillers	Birtley
Thorns	Spennymoor and Sunderland
Timex	Washington
Tube Investments	Washington
Tudor Foods	Peterlee
Unilever	Birtley and Sunderland

*For a complete list of multinational firms operating in the Tyne and Wear are see Multinationals in Tyne and Wear, Benwell and North Tyneside C.D.P., 1977.

These firms, British and American multinationals for the most part, form the employment base upon which rests the future of the region. It is a base which differs remarkably in two important respects from the traditional industry of the North East.

i) Subsidiary Plants The plants are subsidiary and therefore controlled by decisions taken outside of the area. In 1963, for example, 54.1 per cent of manufacturing employment in the Northern Region was externally controlled. By 1973 this proportion had risen to 73%. Furthermore the plants tend to be integrated more into their respective corporations than the regional economy. Production is no longer tied to particular features and resources of the North East and as a consequence of this, the new economic base is much less

firmly "attached" to the area than was the case in earlier periods.

ii) "Labour" and life In each of the traditional industries of the area, the work has tended to be either skilled or heavy manual work done entirely by men and often organised on a shift system. The break in this "employment pattern" has been quite dramatic. The new light manufacturing industry has tended to employ semi-skilled and unskilled labour on routine tasks and has given employment for the first time to large numbers of women. In 1963 women made up 31.3% of the labour force in the region; this figure rose to 40% over the next ten years. This change to female employment was experienced most dramatically in particular industries and areas within the region. For example 80% of workers in the clothing industry and 46% in food and drink are women.

This change in employment has had a great effect upon trade union organisation. The GMWU a union with its roots in the North East has emerged 'as the region's biggest and fastest-growing union. Women represent an increasing proportion of this union's membership, and its growth can be contrasted with the experience of other unions. The National Union of Mine-workers has, of course, experienced a severe decline in membership since the war. The closures have also had an effect upon the union's political presence even on the Durham Coalfield. While the AUEW has been able to sustain a large membership through recruiting within the new sector (the union, for example, benefited from the expansion of Thorn's, Smart and Brown plant at Spennymoor) its skilled membership has declined substantially in this period. These changes are paralleled by the emergence of new unions (like NUPE) and others (like the union of Dyers, Bleachers and Textile Workers, and the Garment Workers) who have no historical roots in the region.

This altered pattern of unionisation is just one indication of the extent to which things have altered. In the pre-war economy of the North East, the labour force was separated into a number of clearly defined

occupations. Men who worked on the ship yards, or in the pits, tended to see themselves employed as boilermakers or miners for their lifetime. Today though, the labour force of the region is increasingly a "mass" labour force not divided by occupations but graded bureaucratically within each of the corporations as they hire and fire. This is only a tendency of course, but it is one which works itself out in many aspects of life in the region. Work (for manual and white collar employees) is increasingly of a routine repetitive kind, tied to the clock and to the pursuit of numbers. Social life has altered too and nowhere more dramatically than on the Durham Coalfield. The pit village was built around mining work, and the whole fabric of family and social life mirrored this. The pit closures have changed this. For many miners the working day begins, and ends, with a long bus journey. This is even the case in Peterlee the new town built for the miners. Two thirds of the men who live in the town have to travel away from it to their place of employment. In the town itself the factories are largely low-paying employers of female labour. Here women either work a regular day or two shift system or, in some factories, a twilight and night shift. The "New Prosperity" has been based on women working in factories - on two incomes and a different way of organising life.

The changes therefore have been profound ones, which have involved real sacrifices as well as benefits. A lot was staked on the new "modernising" plan by the Labour Party, the trade unions and, not least, by the people of the area. A great deal of money has been paid out to big companies, political manifestos have proclaimed a vision of a new future, and people have been pressed to leave their homes and their jobs in the pursuit of this vision. As a programme, however, it had one fatal flaw. The new world was built around subsidiary plants of giant multinational corporations with Board rooms away from the North East. As such the future of the area was dependant upon decisions taken not locally, but by the men who run these giant corporations. The vulnerability reflected in this was made most clear by the pattern of closures and redundancies that have taken place over the past five years. Subsidiary

plants which employ graded labour can be located anywhere in Europe (or the world). In this new, international, division of labour, a region whose future it staked totally on selling its labour force to such corporations, can have little leverage. Without a new political initiative, this will be a spiral process and in the chapters that follow we will examine how various aspects of this have worked themselves out in County Durham and the North East of England.

TWOAN ADEQUATE POOL OF LABOUR

Since the war, then, County Durham (and the North East generally) has been transformed and multi-national corporations have had an important part to play in this change. When considering change, people on both sides of industry - plant managers, union officials and shop stewards - all agree on the basic advantages which Co. Durham offered these corporations. One GMU official put it like this:

Unit cost wise the North East was the best place to invest. Firstly because the type of labour that's to be found in the area is willing to work; and secondly because at that time, this labour was the cheapest form available in the country. It was either that or immigrant labour covered by a wages council set up.

This point is expanded by one of the managers we talked to whose firm was located in the Peterlee area:

In the North East there was an adequate pool of labour available, that had been created around the new town. Labour supply was no problem and also, of course, grants were available. There was a fair amount of government money around at the time.

The "supply of labour" was mentioned to us time after time, as managers talked about the reasons which led to their particular firm becoming established in the area. In making these assessments, the "type of labour" and the kind of "restrictions" which related to it were of great importance. For example, there was no problem posed to firms who wished to employ women on night shift in the Peterlee area:

We had to get a special dispensation to employ women on the night shift, but when work is being made available in areas of high unemployment like this one, you don't get turned down. They're queueing up to get on the night shift here.

The balance which a co-operative "labour" force plays in the decision-making process of the big firms was summed up in this rounded account by a local plant manager:

The first point is where the product is sold - is there a market in the area. Then there's the question of undercapacity in any of the existing plants. We would want to minimise costs so if we had a land option for expansion on any existing site that would be important. Thirdly there's the question of development grants. The extent of this may well offset any distribution costs, and so on. Finally there is the labour, and industrial relations situation. It's becoming very, very, important this one.

The position is clear then: in a period of economic expansion the location of a subsidiary on the Durham coalfield was an attractive proposition to any multinational corporation, given the availability of state aid, and a large workforce unused, in the main, to the conditions of factory life. However it is important not to forget that this "pool of labour", whose availability was of such great importance, had, in fact, to be created and organised for the new industry. In this process, the local authorities - assisted by trade union organisations - played a vital part. This was particularly true in Co. Durham. Here, County plans were drawn up with the specific aim of adapting the area (and its people) to the needs of big business. This pre-occupation comes over clearly in the

1951 plan:

The basic and dominant problem...remains the attraction of new industry. Experience has shown how difficult it is to interest industrialists in developing in the coalfield area. Concentration of development in selected areas would allow the provision of new houses in better surroundings and in larger units to support more and better social facilities. It will also increase modern urban units, especially communities and groups of labour, and attract industry by providing a modern industrial environment.

Given the decline of coalmining (a decline which reached the point of collapse in the 1960's) the reconstruction of the area was built on the establishment of "growth points" around "economically attractive locations". The West of the coalfield - the pits and the houses and the shops - was run down, the East maintained as the large pits expanded, the centre and South used as attractive sites for industry and new towns. In all this preference was given to the need for a new urban employment base in the County. This modernisation was seen, by planners and councillors alike, to offer the prospect of a great improvement in the living standards of the people of the area. Paradoxically, perhaps, it was seen that a prerequisite for this improvement would be that the Northern people accepted the need for change. Several commentators have pointed out that in assessing the problems of the County, officials "placed an emphasis upon cultural factors and a psychology of backwardness which they linked to the mining village as a symbol of the North East". In the plans, pit closures were seen to mark the end of many pit villages. On the basis of an assessment of likely "pools of labour", villages were classified from 'A' to 'D'. Those classified as "Category D" would receive "no further investment of capital on any considerable scale...and when existing houses become uninhabitable, they should be replaced elsewhere". So this was

the "plan for labour". The link to big business was made through a series of bodies like the independent "Northern Industrial Group" (a body of industrialists and trade union leaders funded privately "so as to keep it as free as possible and avoid raising political issues"), and the North East Development Council, the forerunners of the present North of England Development Council.

To an important extent the scheme achieved its aims. Industrial and Council house estates were set up around Spennymoor and Bishop Auckland, and new towns at Peterlee and Newton Aycliffe. People and industry were brought together. At Spennymoor the closure of the Dean and Chapter, Page Bank and Ferryhill collieries (as well as those in the surrounding villages) saw the expansion of Smart and Brown's and the introduction in the middle sixties, of the Courtaulds and Black and Decker companies. Three multi-national employers and over ten thousand jobs for men and women manual workers. Industrial expansion also took place at Peterlee, but significantly this was of a different order. On the East coast, the pits didn't close and in Peterlee the new industry was mainly the employment of women workers. As one NUM lodge secretary put it: "they would never introduce well paid factory work in this area because they wouldn't be able to man the pits. In my opinion the Board stopped any development like that in Peterlee"

Local government and the trade unions therefore bent over backwards in their efforts to accommodate the new industry. And the companies, run by rational, economic men took up the offer and "gave work" to ex-pitmen, their wives and children. How was this experienced? One union official saw the new companies to bring certain clear advantages:

In general you have much better wages and conditions in multinationals. In these companies, fringe benefits are infinitely superior too.

These advantages of the change-over weren't lost on workers either. One man who left the pit and ended up at Plessey's put it like this:

It was like paradise. Clean air and clean conditions. A cup of coffee any time you fancied it. And the money was better as well. I didn't have any trade, or any qualifications. It was only the semi-skilled type of work that I could do, and Plessey's was as good as anywhere for that. And once we got the union established, conditions were very good.

To men who had worked underground, the attractions of factory work, under relatively clean and safe conditions, are obvious. But having said that, many found the change-over difficult. This shop steward who once worked at the Bowburn pit found that:

You can't compare the two: pit work and factory work are completely different. Men were much closer in the pits. They looked after each other. There was such a variety in pit work. The conditions were bad like, and it was hard work but it wasn't just one repetitive job. Doing this repetition all the time takes a hell of a lot of getting used to. For the first two years I just couldn't settle down. I wouldn't go back now mind.

But perhaps the changeover affected women most. For young women the factory offered an alternative to the traditional domestic work as hotel chambermaids or servants for the rich (an occupation which often involved leaving the region).

In my working life there have been a lot of changes for the better; particularly as far as women are concerned. We're better paid and we've more prospects - more to look forward to. I started work as a chambermaid at the Three Tuns and my wages were twenty five shillings. Today things are better and the women have more independence from the men. You can see the change in this factory. The young girls are much more forward. Twenty five years ago you used to have much more respect for your boss. But the young girls stand

up for themselves now.

But there have been costs too. Like the men, they've had to work hard and put up with "factory conditions":

It's very boring work like. It's terribly monotonous.

And then in the winter it tends to be very cold and in the summer very hot. But if you need the money it's the sort of thing that you've got to get over.

So while recognising what they have gained from the new industry, the people who work on the shop floors of the new factories know that they still earn their money.

When the pits closed I thought it was the end of the world. You see you had to understand that we didn't think we would be able to do factory work because the idea had been instilled into us. I suppose it was that idea which kept us down the pits. Before the pits closed there was no other industry because they wouldn't allow it to come here.

But we were hard workers, we were pitmen. So when we went into the factory we could work harder than most factory workers, and management knew this and used it.

This suspicion that people's vulnerabilities were used against them, often comes through in conversations with local management. One man, for example noted how:

There seems to be a certain pride in doing heavy manual work in this area. They don't complain, about work and conditions as much. Even in that really bad weather, really blizzard weather the guys in the stockyard worked through without complaining. It was just absolutely incredible.

Shop stewards mention that when their factories first opened:

the conditions were terrible. I think they thought that ex-miners were used to working in shit. We had men working up to their knees in fibre. But now it's improved out of all recognition.

This improvement came through organisation. Everywhere, where there is a union, people agree on that. In the factories a new unionisation process had to take place as people, unused to factory life, adapted to its structure. One shop steward put it like this:

if there wasn't a union here the men would be walked over the top of...it's only the presence of the union which keeps it like it is. The foremen in this place would walk over a man, given a bit of edgeway. Some of them still live in the eighteenth century. They still think children should go down the pit.

And another:

When this company first came here they thought they were a class above us. They were the gentlemen and we were the grimey pitmen. You got the idea they thought we were just off the banana boat.

In fighting for their rights these people were assisted by the presence of trade union bargaining rights which, in many cases, were formally agreed when their factories were opened. However people cannot be formally given rights. While these agreements established union membership as an agreed principle (and through this a certain basic minimum for wage rates) this could not establish a broad range of rights for workers in the factory. As one shop steward put it:

We had the union but it wasn't a union established within these four walls. We paid our union dues through our paynotes, but we had to fight for our rights.

This was the normal pattern, most of the big companies saw the value of recognising trade unionism. Most but not all.

At Spennymoor, the Black and Decker corporation, organised to keep the trade unions out of the factory. Here we have what one GMWU union official describes as "an odd situation".

They're very dictatorial in their manner, but you can't get them on working conditions or rates of pay. They're better than a lot of firms in this respect.

This "odd situation" of no union and high wages will be referred to again in this report. At the moment it is worth pointing out that while this situation is the exception, it may be one which proves some sort of rule. At Black and Decker people notice that management have a saying which is repeated often: "we know what's good for you".

THREETHE NORTH-EAST CONNECTION

Lee Morgan, Executive vice president of the Caterpillar Tractor Corporation, has a clear view of the advantages posed by the development of multinational corporations. To him they represent a "win-win solution"; if left free to invest wherever they please "everybody benefits". Morgan's view is a global one; Caterpillar's investment programme (actual and potential) covers the whole world, and the North East is but one part of this. To the people who work in this area (in the Caterpillar plant at Birtley and the many other multinational outposts) the solution seems something less than "win-win". With these giant corporations, all major decisions are taken at the centre - at the Head Office. The strength of Morgan's confidence comes from his ability to make the decisions which affect the company's operations throughout the World. These decisions on investment (on where plants are to be expanded or opened or closed) are determined by one over-riding consideration - the overall profitability of the corporation. As we have seen, a number of different factors (grants, labour forces etc.) bear on the decisions. The enormity of their implications (in terms of employment and unemployment) for working people, local areas and countries, make clear the political power which rest in the Boardrooms of these companies.

This fact is not lost on the union officials who have to deal with them. One GMWU officer in the North East put it like this:

I can't help but think how my job has changed. Today I'm never off the train to London. At one time we could decide our own future. All the important decisions could be taken here. Now it's more and more committees; more and more "high powered talks"; more train journeys to London. It's all politics. It's political manoeuvring all the time. The company's that set up here and then moved elsewhere or took over a smaller local firm and then

closed it down. It turns you cynical. Especially when you think of the effect that it has upon people's lives, upon job training, and the skills in the area. The deals that are done! You wouldn't believe it. It does turn you cynical.

When I first became a union officer I had thought in my naive way, that I was going to be involved with people. That I'd be able to do something useful. But it hasn't worked out like that. It's political manoeuvring all the time.

This "cynicism" is produced by the impotence which people experience in many aspects of their dealings with multinational corporations. Decisions on the location of investment (which set workers in different regions off against each other as competitors for jobs) are taken outside the North East, and are the clearest illustrations of where the power lies. As company's portfolios change firms are bought up, expanded, run down....As one shop steward put it, "one thing I've noticed about this company - it keeps changing its name". One manager we talked to had - without changing plants - worked for four companies in twelve years. Between 1967 and 1979, Tudor Foods, at the beginning a locally owned firm, went through three different giant corporations.

The Smiths group originally bought out Tudor and then it was taken over by General Mills which was an American conglomerate on the ITT style. It decided to go into the leisure industry". That meant anything - golf equipment, toys, crisps, anything. The main criteria was "return on capital", the financial performance of a company. It was just the bottom line, that's what mattered. As soon as the bottom line didn't come out right - disinvest. The bottom companies in the group are all contenders for

"getting rid of". Out of golf clubs, into sea foods or whatever. That's how they work. This year we were bought out for \$30 million by an "old fashioned" English company Associated Biscuits. And it's quite a difference. They take a longer term view on financial performance. As such we've become much more integrated into Associated Biscuits, and inevitably there is going to be a tendency toward centralisation of distribution. The main difference though is that Associated Biscuits is based at Reading and Kent - not Minneapolis.

Companies differ in style, but the game is the same. Within the group, the company, and the global market, plants are in competition for investment. Another manager saw it clearly: "our major competitors here are the other plants in our own company". A situation which was summed up by this shop steward in the GMW:

All the factories in this company are in a kind of league. The most profitable are at the top of the league, and if you're at the bottom of the league you're in trouble. It's all worked out by their accountants at Head Office. You're dependant upon what they decide. It's their figures and their decisions all the time.

Control over investment reflects the extent to which power rests at the Head Office of the giant corporations. The extent of this power is revealed in any number of ways and is experienced daily by workers and their trade union representatives. It comes through most clearly in their dealings with local management. As management structures change, so too do management personnel. Moved from plant to plant on the multinational circuit ("It's policy in this company to move management every two years. As soon as you get to know them they're gone") or moved out altogether. This is how one shop steward saw the situation in his company.

I think our jobs are more secure than the management here. The last Personnel Manager was sacked. He was shattered. He came down and he had this pink paper with him. I thought it was the football paper but it was the Financial Times. He was looking for another job. He was finished.

A Union Officer agrees:

The plant managers aren't in too happy a position either. Some of the poor buggers are manipulated something serious. They have their expectations raised - then BANG! Out the door. "The Board, The Board, The Board" - that's all they get.

Local management are but the lowest rung of the corporate structure. Their vulnerability is a reflection of this. To workers it can be a source of immense irritation. Repeatedly shop stewards and union officers complain that they never meet the people who make the decisions.

The way this place works is that the Board of Directors, say that plant management are in charge. That's what they say: "You run the show - within reason". That's how they put it. But its clear to us that a lot of things are done through Head Office. It's a well known fact. I asked one of our managers the other day: "When they pull the string do you jump?"

All this affects the fabric of local negotiations. One union official describes how at one firm:

if you're negotiating with local management and they make a commitment to something. You say "write it down. Is this what you mean?" They'll say "I didn't really

mean that". "Well what did you mean? - will you write that down?" But they won't, they won't commit themselves. They can't. It's a terrible problem for them. They always have poeple sitting on their shoulder.

Often in situations of conflict, this vulnerability of local management can lead to inflexibility. At one of the plants, shop stewards and officials were convinced that this was the root cause of a protracted strike.

Two thirds of the problem in the last strike came from the fact that management doesn't negotiate. The people here are mouthpieces in the main. It's a real problem getting them to make a decision. Once a decision is made and passed on from America they stick to it. There is no room to manoeuvre. The local situation counts for nothing. That must be the problem with all multinationals.

Ironically this inflexibility of local management is mirrored by (or stems from) the flexibility with which the multinational corporations can arrange (and re-arrange) their systems of production. This is particularly true in Europe where over the last four years (and into the next decade) many industries are being rationalised and re-organised in a major way. This rationalisation is taking place through the structures of the giant corporations. It is the interest of these giants, and not the integrity of particular areas or regions of the world, which is predominant.

In such a situation - where plans are worked out years ahead - secrecy and the control of knowledge becomes a central aspect of the hierarchy. One manager we talked to saw the situation in his industry like this.

At the moment there's a world wide rationalisation plan taking place. I don't know what the outcome of this plan is going to be. And I don't want to know. Not until it

happens. I can tell people in all honesty that I don't know what's going to happen.

The glass industry is going through such a rationalisation. Glass production (and skilled glass work) has been carried out in Sunderland throughout this century at the local firm of Joblings. This firm was taken over in the 1970's by the American multinational, Corning Glass. Corning had extensive interests in Europe and one of the consequences of the takeover was that all the glass tubing production was moved from Sunderland to the Company's French factory at Suverell. Both factories had the same production capacity but the workforce were given no reasons for the concentration of production in France; just three weeks notice. "The next time the tank is out, the work moves to Suverell". That was to be the end of glass tube work in the North East. "It took a hell of a lot of skill out of the industry in this area when that work was moved to France". That was in 1978. The following year during a dispute over the allocation of work, their negotiations with local management broke down and a strike took place. To break the strike the company threatened to suspend a £14 million investment programme for which they had received £5 million worth of government assistance. "Any further spending will be in line with the business we can recover". All this left people wondering about the kind of future which glass production has on Wearside.

As in glass so too in rubber. The Angus company was a locally based producer of rubber hoses on Tyneside. This company was taken over by Dunlop's who, in 1971, combined with the Italian firm of Pirelli. Today the Dunlop-Pirelli group have four plants in the North East - at Walker, Cramlington, Team Valley and Washington. To many who worked for the old Angus company the changeover has been a dramatic one.

'Angus' was like a family concern. It was honestly. If the firm had a shortage of orders they didn't lay you off they kept you at work. You might only be sweeping up but they kept you at work and they paid your wages. But Dunlop, if they have a shortage of orders, straight away

they suspend the guaranteed week and they have no hesitation in laying you off. On one occasion they had a problem at their Spanish factory and they asked if we would co-operate in making up the production. We did that. We co-operated. But no sooner had production started up again in Spain - then we were laid off. They laid us off.

Another of the plant convenors in the area sums up his experience of the company in this way.

You are talking about a company that doesn't have a heart. It doesn't have any moral obligation to anybody it employs. It's run by accountants and professional hatchet men who manipulate and wheel and deal their products irrespective of the human cost involved. It's like playing a great game of monopoly: "Where shall we make tyres this week - give them a pound of rice there, this government owes us a favour". I thought you couldn't find a worse company than Dunlops but when you talk to people in other multinational firms you see it's the same dirty tricks all along the line. I think they must all go to the same college....Henry Kissinger or somebody teaching them.

Dunlops most celebrated "dirty trick" had to do with tyre production. For years, while the company's tyre plant at Speke in Liverpool was starved of investment, Dunlop exported technology to plants in Eastern Europe. Then it blamed these "cheap imports" (tyres imported through Dunlops own subsidiary National Tyre Suppliers) for the crisis and the need to close the Speke factory. Such deals (revealed through trade union pressure and investigation) leave the workforce at the modern Washington factory with no

sense of long term security of employment within Dunlop-Pirelli. To quote one of them.

When Dunlop announced the closure of Speke they sent everyone in the tyre division a letter explaining that they had to rationalise, they had to cut down. But, they told us, "you have a confident and secure future within the tyre division" - if you knuckle down! The letter was signed by the Personnel Director and within a week he had left the company!

And a GMWU steward at another plant agreed.

You've only got to look at the labour force in the rubber industry in this country. Nine years ago it was around 57,000. Last year it was 32,000. It's less now, especially after Speke closed. Ever since the Dunlop-Pirelli merger, investment in the British plants has never been the same. They could close us down next year, next month if they wish. They could close it all. They've got the money behind them, we've got very little power.

The power and the money behind Dunlops is revealed by its new headquarters in Geneva. The move there was described by Ken Gardener, the company's financial director, as a "considerable coup". Headquarters in Geneva free the company from the controls which the Bank of England exercise over internal transactions and, to quote Gardener again, "provides the company with considerable financial flexibility". From Geneva the company's holdings in the U.K. the U.S.A., South Africa, Nigeria, Yugoslavia etc. are balanced, weighed, moved and controlled. A reality which, to quote one shop steward, "the working man cannot really grasp. We just have no information. about the kind of things that go on at that level". But it is

at this level that decisions are made: within Dunlops and the other multinational corporations. From here, factories are opened, expanded and closed, and the people who work at that level - the factory floor - are always the last to know.

FOURTHE NEW CLOSURES

During the last five years workers in the North East have faced the new problem of factory closures. These closures have affected old established firms and the firms which moved into the area under the "modernising" policies of the 1960's. Each, in their different ways, reflect dramatically the vulnerability of the "manufacturing base" within the North East, and the extent to which power is located in the hands of the giant corporations. In this section we examine two of the most significant closures, those which affected plants owned by the Courtaulds and Plessey companies, plants located in Sunderland, and the former mining community of Spennymoor. Both these closures were carried out with a speed and efficiency which bordered on ruthlessness and have left workers and union activists bitter and stunned. Further, they have both contributed significantly to the growing spiral of unemployment and "urban decay".

To begin at Sunderland. It was June, 1977 that the Plessey factory in Sunderland finally closed.

It was a bombshell for the town. It was the biggest employer of people in the town outside the shipyards.

It was the most important factory.

Since it was set up in 1945, the Sunderland factory had suffered from being very much a remote outpost in the Plessey Empire. One GMWU union official remembers how:

All Plessey's factories in the North East were treated as satellites. All that came to the North East were the spin offs that couldn't be done at their other factories. For example all the repairs replacements for old exchanges were done in the North East.

The company operated with a budget system. Every plant had a budget; so long as it broke even or did better than its budget - O.K., there's no problem.

But if one starts losing there's trouble.

In such a system, at a time when the telecommunications industry was entering the electronic age, the Sunderland factory very much the appendage of an older age was particularly vulnerable. And as a consequence 2,050 people - the majority of them women - lost their jobs.

After years of irregular production, punctuated with short time working and several small redundancies; the workers at the Plessey factory expected something to happen. Many thought that more redundancies were on the cards (they knew all about that) but few people had seriously considered the possibility that the plant would close down. The closure (and the way it was carried out) was a new experience - for them and their shop stewards. It taught them a lot.

On March 3rd 1977 the management at the Plessey factory made the unusual step of asking the shop stewards to attend a meeting outside working hours at 6.00 p.m. where they would meet a member of the Board. The shop stewards agreed to attend. What they didn't know (although in hindsight they feel that they should have suspected - "an evening meeting was a novelty for a start") was that the "meeting" was arranged simply to announce the decision to close the plant. They didn't know either that similar meetings (with dire warnings of the future) were being held at each one of the Plessey factories in the U.K. All synchronised for 6.00 p.m. When the Sunderland shop stewards arrived;

there were security guards on the door who checked people as they went in. Then the doors were locked and they wouldn't let anybody out. Even the manager of the site wasn't allowed in or out. He wasn't allowed into the place before the meeting and he

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By DAVE PIKE

DOW was reeling last night following the shock announcement that one of its largest factories was to close. The plant in Washington will be made redundant by the end of the year.

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GATE 8-HEAD

3 JACKSON FACTORIES CLOSED
JOBS LOST 225

ALEXANDER FACTORY
CLOSED JOBS LOST 250

HEPWORTH FACTORY
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JACKSON FACTORY
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QUESTION

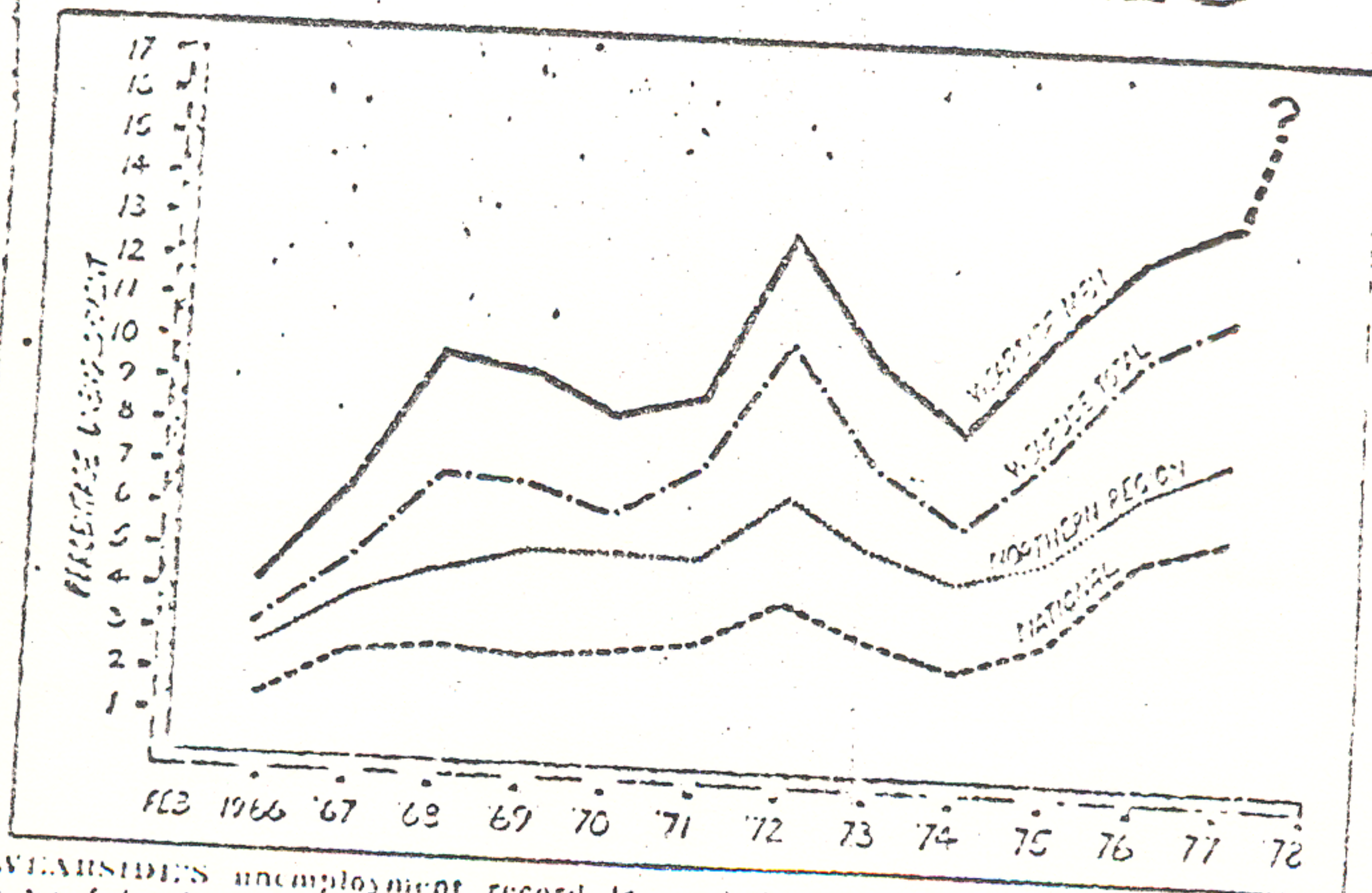
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ALEXANDRE LACROIX
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WEARSLIDE UNEMPLOYMENT

The doleful time



WEARSLIDE'S unemployment record is a woeful tale of dole queue doldrums — now set to turn into a horror story. For a decade, the graph line that represents the area's jobless has run high above both the regional and national jobless averages.

Today, Plessey's closure announcement will add over 2,000 to the people without job prospects.

The latest figures show there are 13,821 unemployed people in the area that has Sunderland at its heart. This represents 12.5 per cent. of the male population, 7.8 per cent. of the female population and 11.3 per cent. of the total population.

Sunderland Council Labour leader Coan, Len Harper last night forecast that if the closure goes through it will mean unemployment totalling about 15.5 per cent. — nearly double the North region figure and almost treble the national average.

If Wearside has long been an unemployment dark area, it is now a

pitch black spot, because since 1966 male unemployment has jumped by more than 200 per cent. and total unemployment is up 323 per cent.

The accompanying graph is based on figures supplied by the Department of Employment who point out that in terms of personal cash crises and reduced wage packets the last six years are likely to have been even worse than the figures actually show.

The reason is that from 1966 to 1971 workers on short-time were included in jobless totals, but have since been excluded and put in a category of their own.

Sunderland district Jobcentre manager Mr. James Forster summed things up:

"The situation is grim. We have to try and match up the needs of these people with the opportunities that come up in Wearside, Tyneside and other parts of the country.

"The problem is we are working against a back cloth of such a high degree of unemployment."

Journal 2/6/77

wasn't allowed out during the meeting. Nobody was allowed in while the meeting was going on. They gave all these figures: work load, production in hand, and right at the end was the news he had to tell: the Sunderland site was to close down. No discussion.

Once the doors were opened the news travelled fast.

I'd arranged to meet the stewards in the workman's club just around the corner after the meeting: to find out what was going on. When I walked in I met one of the lads at the doorway and he just put his hands across his throat. The stewards were all sat in the corner and their faces were all white. I realised then, without any words, I realised that it was closure.

There were white faces in the Department of Industry too. Labour ministers (in spite of their close contact with directors of the Plessey Board) had not been informed of the closure. Before 6.00 p.m. no-one outside the Board (neither ministers nor local managers) knew of the closure. After 6.00 p.m. there was no negotiation. The decision had been taken and it was going to happen.

The company said that the situation was irretrievable. Nobody could do anything to reverse the decision. Even if the government reversed their cuts in the ordering level, that wouldn't alter the situation. After the announcement we had another meeting and the spokesman for the union side kept putting the question to this

Director "is there anything we can do? Is there any way in which this decision can be reversed?" And half a dozen times he got the answer "there's no way".

And that was their position at the end of the ninety days. Throughout those weeks of "consultation" there was wheeling and dealing at high levels (the Department of Industry, the Plessey Board, Arnold Weinstock...) delegations to London, meetings in the town, demonstrations, a sit in; but at the end of the day the logic of "the bottom line" produced the same answer. The Sunderland site closed. Looking back one of the men who was a GMWU shop steward in the plant reflects that:

We had to try to keep the place open but we didn't have any experience of that sort of thing. Not one of the shop stewards on the site had been in a situation like that before. And the full time officials themselves didn't seem to have much idea as to what we could do. The local managers were kept as much in the dark as we were (and I think most of them were sympathetic to our struggle to save the site) but they were frightened to help us in case they got sacked and lost their position in the company. They thought they might get transferred to another plant.

The company was very clear in the way they handled the whole thing. The way they announced the closure and the way they carried on throughout the ninety days. They turned the people on the shop floor against the union, telling them that if they took any action they would lose their redundancy money. When we were talking about

occupation, and stopping the machinery going off the site Wilkinson (the AUEW official) came back from a meeting with the company at Director level and announced at a mass meeting that the company had said we could occupy the site, we could have the site and all the machines on it, because they don't want it. But they obviously did want it because they were quick enough to get it out (and spend several thousands of pounds to do so) when the site closed.

In 1979, shop stewards at the Courtauld's textile factory at Spennymoor were having similar thoughts about their company after it announced closure with the loss of 1,600 jobs. Here, in contrast, the factory to be closed was a modern one (purpose built with the direct assistance of local and national government); and employing an entirely male labour force on delicate repetitive work.

The Courtaulds corporation is a giant, operating for years from a near monopoly position within the British textiles and cellulose fibres industries. The CIS Report put it succinctly:

In its short history it absorbed more than 800 companies. Today (1974) it runs 500 manufacturing units in 230 different locations; it has 100 factories outside the U.K; it has 21 major subsidiaries in Britain and another three in France, one in Canada, two in the U.S.A., two in Australia and three in South Africa.

Courtaulds' has a long history of "unpleasant" relationships with trade union organisations. Huw Edwards, once regional secretary of the TGWU in North Wales, has recorded how, in the 1930's, the union wasn't recognised in the Courtauld's Flint works. In the plant.

there was a system in operation in the spinning room called the "chaingang system" it was a hated system and although Courtaulds paid the best rates in the area, conditions of work and favouritism by local management drove men into organisation.

The Flint plant was organised into the TGWU in 1934 and 1935.

In the first two years we went through at least a hundred strikes, each one more vicious than the last. There was a natural human desire, so far as the men were concerned, to get their own back on people who had, in their view, abused their power. (and) an element in local management still felt it had a bone to pick and introduced far too often, and sometimes without apparent reasons, changes in working conditions that caused strikes of a very serious nature. On two occasions the police were called in and to crown, everything, legal proceedings were taken against some of the local leaders (managers). They were found guilty of breaking their agreements, thereby letting the Company in for very heavy costs.

It is perhaps ironic that the company is today, once again involved with the law. This time in a lengthy public inquiry into the closure of the Spennymoor plant. And there is another irony to be found in Edwards' account of the early days at the Flint works. For him:

Courtaulds was one of my favourite branches for many varied reasons. Firstly for its loyalty. In the twenty years or so of its existence I saw its leadership sacked; I lived with them through

innumerable strikes - they had to be fought on every occasion, even when the company suggested improved pay and working conditions: they were very much the children of harsh backgrounds, suspecting for years the company's every motive. Never have I witnessed so clearly a body of men who believed implicitly that the price of liberty is eternal vigilance.

That vigilance was put to the test in the 1970's as the company manipulated the closure of the Flint works. A process it followed at another of its modern plants in Skelmersdale then Spennymoor and, then of course in Ulster and, most recently, Preston. En route they have created many "children of harsh backgrounds"; certainly at Spennymoor it is difficult to find a workman who remembers his experience of the Company, with anything approaching affection. And there are many reasons for this.

To begin with there is the question of grants. Perhaps no other corporation has made such extensive use of the financial assistance provided by Governments since the war (at one time, in the early 1970's, the company had 800 applications for assistance outstanding at the Department of Industry). Sir Arthur Knight (who took over as Chairman from Lord Kearson) made this clear in his book Private Enterprise at Public Interaction. He thought the provisions of the 1966 Industrial Development Act "encouraging" and felt that "the Special Development arrangements announced in 1967 gave additional incentives". And these incentives were numerous. In setting up its new worsted spinning factory at Spennymoor, the Company received £6 million in the form of grants but, as this statement by the factory manager reveals, assistance went much further than this.

The local authority has been remarkably helpful in housing key workers. Also the facilities provided for transport, the roads and so on, have been help-

ful to us. The local authority built for our arrival a new pumping station to take care of our effluent.

(Evidence, House of Commons Expenditure Committee 1973).

All this was done because, of all the developments which took place in Co. Durham under the "modernising" plan, this one had pride of place. Courtaulds move to Spennymoor had been preceded by discussions of the problems ex-miners might face in factory work. After the opening, articles were written in academic and management journals on the problems (or lack of problems) encountered by management in retraining the new labour force. In all this the factory was clearly presented as a new and permanent feature of the South Durham economy. An impression which Courtaulds did more than anyone else to create and foster. In a publicity leaflet, designed to recruit its labour force, the company offered people a new and better way of life.

Above all else, a job at Courtaulds, Spennymoor offers you security with an excellent weekly wage and employment constantly throughout the year.

Within ten years, and after three years of lay offs and short time working, the factory was closed. For all the optimism and expectations, the new model factory closed in acrimony. And it came as no surprise.

When they set up here it was a big thing. They had lots of different things - the management and the men shared the same car park, and the canteen and the toilet. But soon that altered. It was "us and them" canteens, "us and them" car parks. You had to have a badge to go into the toilets.

In a way people expected this, they expect industry to be run on such an "us and them" basis, what they didn't expect - and resented deeply - was the introduction of "traditional textile working" into the factory. For all the

promises of regular work, working for Courtaulds became an experience to be fitted in between periods of lay offs. One shop steward from the union of Dyers, Bleachers and Textile workers remembers how:

About two or three years before the closure we found out that the reward for a "fair days work" was short time working. Once you filled the warehouse up, something would happen - Grimsby would have some trouble, or there's bother over in France, or at Marks and Spencers or at British Home Stores... Something, anything would do, just to lay you off... There was no carrying passengers at Courtaulds. They didn't take prisoners they just shot you down. They wouldn't keep you on over a slack period. They looked at everything in the same way - if there's any problem at all, cut the wage bill. "You have to do without to solve our problems"...In Courtaulds you'd do your work and then they'd lay you off. That was the anti-incentive to work at Courtaulds.

Lay offs were one thing; another problem lay in the company's approach to trade union organisation and industrial relations generally. At the outset and without consultation or negotiation with the workforce a "closed shop" agreement was reached for the plant which effectively refused negotiating rights to both the AUEW and the supervisory union ASTMS. This was to be the source of immense tensions within the plant, for although the AUEW obtained recognition, the ASTMS (in spite of a protracted strike) never did.

Everything was negotiated with Bradford before the plant opened. The rates of pay, the working arrangements everything. It was the source of a great deal of bitterness. I still think now that what we did during the ASTMS strike (we were

instructed to change the gear wheels, which was their work) was terrible.

As with the lay offs the conduct of industrial relations deteriorated rapidly during the last three years. Management changed frequently, and agreements were regularly broken. As the AUEW convenor puts it, "negotiations were conducted in the gutter".

We had a new plant manager, Walter Bruce, and that was the first time I'd ever heard a works manager swear. "What sort of fucking money do you call this?" This type of thing. From then on, that was how we conducted negotiations. It was in the gutter. We had no respect for the man because he had no respect for us.

There was no negotiation really. The wage rates for skilled men in the plant became low compared with the rest of the area. So at the negotiations I prepared a detailed wage claim on the lines of the Ford wage claims. But they would not negotiate on it. I've been brought up in the school where you put your arguments down on paper, present them tidily, and then go through them logically in negotiation. But they wouldn't respond. All they said was "if you've got time to put a claim like that together you've too much spare time on your hands". You wouldn't believe what went on.

In one of the sessions the industrial relations officer said "we know the rates for skilled men are too low". Bruce said to him "whose side are you on?" He said "I'm only telling the truth". And you know what Bruce replied (and this was in front of us like) "From now on you tell the truth in your own time, not in the

company's time'. It was in the gutter really.

A bad situation therefore and one which left many people wondering about what happened and why. Most of those who have thought about it talk first about the changeover in plant management which took place in 1974. This was not just a question of personalities but rather the indication of a new strategy for the plant: a strategy that had been worked out at Board level. The same AUEW convenor put it this way:

When Atkins (the old works manager) left, we had an informal meeting with him. He told us, and he was quite definite about it, that new policies were being introduced which he couldn't accept. I remember it clearly: he said "they want to introduce a three shift system, a new incentive payment scheme and female labour. You're going to have some right royal battles - the best of luck". Then we had the new management, and they were quite open about it: "from now on the company want to turn you on and off like a tap. When there's orders we'll have you in, when there's no orders we'll lay you off". They called it "traditional textile working".

In attempting to introduce this style of working, and the other changes they had planned, the Courtauld management did not have things its own way. By this time a well organised joint shop stewards committee had been formed in the factory with a policy that was firmly opposed to lay offs.

Short time working has been accepted right throughout the history of textiles and at Spennymoor we refused to accept it. Walter Bruce once said "you are in an industry where short time working is part of the industry

and you're going to have to accept it". You could see that he nearly believed it: he genuinely believed it. And he was really upset that he couldn't get us to understand. Because we would never accept lay offs as part and parcel of the trade. We always insisted on "the right to work".

Given this (and the experiences of the workers at Flint and Skelmersdale) the shop stewards committee were clear that they were negotiating under threat of closure for three years prior to the announcement.

Courtaulds, it should be remembered, is a giant multinational corporation. Its plant at Spennymoor was but one amongst many hundred distributed across Europe and the rest of the world. By way of a sophisticated Boardroom policy which weighs in the balance the advantage of state aid, transport cuts and the pliability and cheapness of labour, plants are opened up and closed down. Such a policy became heightened during the 1970's as the textile industry (like some of the others we have mentioned) reorganised, and rationalised, itself on a world basis. This was the vice within which the workers at Spennymoor were squeezed. The company had, to quote one shop steward, "put all its eggs in one basket when it opened this plant. This was the basis of its spinning operations in Britain." Carrying such a basket demanded a labour force that was maleable in the extreme; this after all was the hope. It proved not to be the case, and the basket was dropped. In 1979 the workers were given an ultimatum: accept a wage cut of £7 a week and 560 redundancies or else the factory closes. The ultimatum was rejected, a wide ranging campaign was organised, M.P's and councillors were lobbied, the other Courtaulds plants were visited and along with the campaign to save the Vickers Scotswood works, an attempt was made to involve workers in closures in the shipbuilding, engineering and coal mining industry throughout the region in a committee of North Eastern shop stewards against redundancies and closures.

In the end though the campaign - like its predecessor at Plessey's and the one at Vickers - failed, and the factory closed down.

One of the NUDBTW shop stewards reflecting on all this observed that:

Company's like Courtaulds...are using closure and redundancy as a threat. "You organise yourself and we'll close you". They like it the way it is, half membership or part membership. The threat is always there. The more organised you are, the more the threat's there.

And this threat grows with every new redundancy and closure. In the North East it is becoming acute because rundown is now taking place across a wide front. The cutbacks in the new sector are one thing; another is the squeeze on all aspects of state spending and yet another is the continuing crisis which affects the region's "traditional" industrial base. These three come together in a dramatic way in the North East. The closure of Vickers' Scotswood works, (and the short time working now taking place at Elswick) was one ominous sign. Another is the frailty of the steel and coal mining industries. B.S.C. is clearly set on closing its Consett works (along with the rest of them); making 4,000 people redundant and turning the Derwent valley and North West Durham into an employment wasteland. Employment in the pits has declined steadily since the bloodletting of the 1960's which (in spite of some cosy public predictions) has still to reach its end.

Given all this the question "What can the people of Durham do?" raised by one man who worked at Courtaulds, is a real and poignant one. As he put it "we need work, but we don't need that type of employer". What, in fact, can be done? In the next three sections of this report we examine the obstacles and problems which will have to be overcome before the people of the area can fight back and establish, for themselves, a secure future.

FIVEBLACK AND DECKER'S GLOBAL VILLAGE

"The best thing that ever happened to Washington was Elvis Presley dying". That was the joke in the Spring of 1979 as the RCA factory picked itself up off the floor of lay offs and redundancies to full capacity working. The substance of the joke (the relationship it claims between the death of a U.S. rock and roll star and the future of a new town) says a lot about the stability of the 'new manufacturing base', and the way the people of the region feel about it. It came over, time and again, in the discussions we had with shop stewards and union officials. One committee (after questioning us to ensure that we had the best interests of the labour movement at heart) informed us that, much as they would like to help, they would need to be careful about what information they gave us, because their jobs were at stake. In similar vein one union officer gave us his detailed criticisms of one company (a company whose policies he felt were basically hypocritical) but then reminded us, and himself, that 'it's difficult to be too critical of them. You feel it, you feel like you'd really want to have a go at them but then they're one of the biggest employers in this area. If it wasn't for them all those people - our members - would be out of work'.

In spite of the prospects for the future held out to the workers in the North East during the 1960's, it is clear that a decade of planning (while closing the pits) did not resolve the regional problem. If anything the problem has been aggravated. Now as we approach the 1980's, workers in the area sense their vulnerability as they face employers who operate in an increasingly international economy. The closures reveal, in the clearest possible way, the extent to which the balance of power in industry is tilted toward the Boardroom. As some firms take their profits and leave, those who remain benefit from the growing insecurities felt throughout the North East. One union officer described the situation in this way

There have been a tremendous amount of takeovers and closures in this area. All this undermines people's confidence. The other day we were in wage negotiations and the company offer was on the table. We weren't too happy with it. Then there was an announcement that the company was about to be taken over. Another company had bought up 27% of the shares. So immediately we were in a situation where people are asking "what's the rate at this new company?...In the end there was no takeover. They simply wanted "an accommodation with the current Board". But it definitely affected our wage negotiations. The stock market does influence people. They don't understand it, but its psychologically frightening.

These fears are given full reign in the context of growing unemployment. Spennymoor is a case in point. Once a coal and steel town it became, under the County Plan, a Global Village, the base for three subsidiary outposts of the multinational corporations. When Courtaulds closed down employment in the town was left resting upon two: Black and Decker Ltd. and Thorn's.

The Black and Decker company has three plants in the U.K. one in Eire and others throughout Europe and the Middle East. It produces a wide range of small electrical tools and gadgets and in Europe faces the strong competition of Wolf, Bosch and Stanley. The centre of Black and Decker world wide organisation is the city of Towson in Maryland, U.S.A., but as its publicity handout makes clear, "on the sands of the Dubai or the snow of Spennymoor the spirit and message of Black and Decker is the same". One part of this message has involved the active discouragement of trade union organisation. This policy was carried out from the earliest days at Spennymoor.

The company opened shop in Spennymoor in 1965. They took over the factory building and the grants that were originally planned for Perkins' Diesels of Peterborough. Perkins had operated the site for a few months but pulled out when they faced a demand for wage parity with the workers in their Peterborough plant. To Black and Decker, the attraction of Spennymoor lay in the availability of a large "pool of labour", (both male and female) little used to factory production. In employing such "labour" the company was prepared to pay the going rate - even a bit over the rates. What it wasn't prepared to do was allow any interference with the operations of Black and Decker's employment and production policies. In 1965 this meant their open hostility toward attempts to establish a union organisation in the plant.

One man, who worked at the plant for a while, remembers it in this way:

I thought a lot before I moved out of the pit. I was very apprehensive about factory work. I was offered a job at Black and Decker. They had all systems there. It was amazing. They didn't have a foreman or a chargehand, it was all different coloured collars. If you had a problem you had to see a "green collar"; then a "blue collar"; then a "red collar". It was ridiculous. There wasn't a rate for the job there either. They used to pay a "merit bonus" after six months. I was only there for a year and I was made redundant. This one day I went to work and these union people were standing at the gate handing out leaflets. Before I'd had the chance to squint through it I was made redundant - the sack. They had no time for unions at Black and Decker.

And the unions made little headway. Organisational drives by both the AUEW and the GMWU have still failed to obtain negotiating rights from the company.

During one of these campaigns a local activist remembers how he was told by security guards at the gate that "you can't come in here as soon as you step through these gates you're on American soil".

The Spennymoor management at Black and Decker see themselves to be operating with a "professional approach" which "has won the confidence of the workers to beat off competition from their major rivals". They argue that it is a policy of 'total employee relationships' and that it has been 'a success story'. In fifteen years of operation at Spennymoor there have been no strikes and no industrial relation problems. For the workers "loyalty to the company" has been rewarded with security of employment, and good wages based on a wide range of bonus payments (payments which reward grade, service, performance etc.etc.) If you add to this the other "advantages" like a supermarket and travel agents on the site you can understand something of what this management means when they say: "we don't want our workers to fight for anything".

"The fight has been taken out of workers in other ways too. While no "external" union negotiates on site, the company is concerned to deal with shop floor problems and does this through a range of "consultative committees" "briefing groups" (groups of 15 to 20 workers are taken off the line every two months and "briefed" by front line supervision on sales production and orders) and mass meetings with the workers. As one worker put it "Black and Decker management must all have had a course in psychology because that's how Black and Decker works". This suspicion would be confirmed by a reading of the company's newsletter which is distributed widely throughout the factory.

The Committee's importance arises from the fact that they are very much a two way means of communication. Not only can management pass on information about Company progress, plans and developments, and consult with employees on matters affecting the interests of employees and the company, but it can also discuss

matters raised by employees through their representatives. (Black and Decker Newsletter, August, 1978)

All this adding up to what Black and Decker management see as "an attractive proposition for the working man in the North East".

On this, and other things, workers who have joined the GMWU and become union activists within the factory, disagree. The committees, for example, were seen by one in this way.

You see it's their communication and their strategy. What do we know? What are we told? We are told damn little except what they want to tell us. You have a consultative meeting and you say yes but all it's there for is to add credibility to decisions that are already taken by management.

A union official puts the same point this way "it's a form of paternalism really. 'My door is always open' sort of thing; 'but don't you try to come in'".

Wages at Black and Decker are not open to negotiations, nor are they discussed on the committees. While the company tacitly recognise that there are shop stewards in the factory who are members of the GMWU, there is no established bargaining framework within which wages and wage structures can be negotiated. The company may pay good rates for the area, but the workers at Spennymoor are told what their wages will be and periodically they are told what their next increases will be. There are no negotiations on wages. As one worker put it:

They have a nice way of saying 'we will give you 7 per cent now and 5 per cent later. There's no such thing as negotiations of any kind. That is the procedure.

In the Black and Decker philosophy, wages are paid to individual workers, and as such they are not a matter for collective bargaining. The wage rate is a private contract between the worker and the company. This sounds well and good. But what are the consequences of this? A union official put it like this:

It would be hard to call them a bad company because in many respects they're quite forward thinking, but they've set their hearts against trade unionism. As such they do things at Spennymoor which they just couldn't get away with in a union factory. They regularly speed-up the job through increasing the values. They have an elaborate suggestion scheme which they call "cost saving". They do a lot of things to squeeze production out of people. It's the profit motive in its most heightened form.

Black and Decker cut costs in a number of ways. People are encouraged to take lump sum payments in exchange for suggested new methods of working. Then there are "time savers" which as their name implies, are concerned with speeding up jobs, cutting the time allowed to the worker. To save time is to save money. At Spennymoor, managements' "psychology" is directed at encouraging workers to participate in this process of speed up. Two "shop stewards" explain how this works:

they bring a machine up here and they have a timing on it. For a period of time they let the men work it themselves. Then they bring a production engineer out who actually times the job to the satisfaction of the operators. The time is set. But after a period of time, (it's like anything else you get more versatile as you get used to it) your production goes up. You make a bit more time, more money. So the foreman encourages the people themselves to have the job retimed - to put their own times up. But once those times are put up, they are up for evermore. The next person to do the job starts with those times.

How do they go about this?

The way they work is that they say "Well you can do more than that: it's a canny job that you know". They might say to someone on the shop floor, or tell the foreman, to put a cost saver in on that. So he tells this lad who might not know any better "earn yourself a bit of money". So he puts a cost saver in for, say £200 and when it has all gone through you'll find that they've saved, say, 20 men on the job. So there's twenty men redundant in exchange for £200. People don't realise. At Black and Decker the increase in times is actually motivated from the shop floor.

All this is amplified through competition and ritual. To encourage the submission of cost-saving suggestions, the company runs a competition in which everybody who participates has the opportunity to win one major prize in a draw held every three months. The prizes take the form of domestic appliances fridges, freezers and televisions. When "cost savers" are in fact taken up and implemented, senior management 'liked to make sure that the person received recognition at a presentation.' In return the company receive an innovation and reduced manning.

The point is, this company operates throughout the world. A cost saver can go in here to Black and Decker at Spennymoor and when it's agreed that becomes Black and Decker, it belongs to them - they can be installed where they've got no unions in and they can sell it to any company they want if it's profitable. So it becomes a cost saver worth say £500, but that £500 can be £500,000 to them, could be £5m. We don't know.

And furthermore:

You put a cost saver in and you loose a certain number of people off the line. So we are producing more - all this is coming from the workers themselves. That's why Black and Decker can carry on producing more and more and without recruiting anyone.

In the Spennymoor context then, the operation of these methods of increasing productivity raise some cause for concern. Particularly since, as one man put it, "Employment just hasn't grown in this factory - in fact we had redundancies in 1975 - but production has gone up and up".

A fact made all the more worrying (and of much greater cause for concern when we realise the implications of this within the context of Black and Decker's world wide operations. Within a multinational corporation agreements and timings made at one of its non-union factories, can be moved to other factories or sold under license at greater profit. Black and Decker for example, moved the repair of its lawn mower from Leeds to Spennymoor in 1978 and the "time saving" process was put underway:

The services department at Spennymoor came from Leeds and they brought the man who was in charge down there up to repair lawnmowers. They gave us a time per person on this line. Well it was good and one of the workforce decided that he would put in a cost saver. He put it in and we got £5 per person out of it. After we did it the fella they brought up from Leeds said that he'd been doing the job for five years and the times had never changed. But when it came to Spennymoor some idiot put a cost saver in.

And it doesn't stop at Spennymoor - neither the time saving nor the products. Black and Decker's work bench - the "workmate" - was produced in the plant. It too went through a process of cost and time saving before being moved on (times attached) to the company's new plant in Eire. Another plant where they received both government grants and tax support and employed another non-union labour force.

Small wonder then, that the people who work at the Spennymoor plant feel vulnerable, and fear for their jobs. The men there are ex miners in the main, employed, as one of them insists "at a particular stage in their lives; when we'd been made unemployed in the pits and at our age had little other opportunities for work". In the plant they are segregated from the women who work the mass production lines and who (before Black and Decker, and like the men) had no experience of factory employment. These women are paid on a ten grade structure, and few people understand the basis of this.

Nobody understands it. I've tried and I can't get through it. They have a mix of different criterion, so people on the same jobs will be on different rates. They rate the job, the person and the performance. Women are employed on a full-time and a part-time basis. They've got around the Equal Pay Act with no problems.

All these factors are played upon by the company and came out clearly during the unionising campaign. One activist remembers:

they had a ballot but all along the question being put to the work people was: "who do you want to run the company, us or the union?" They play upon the fears of the people. "The AUEW was involved in a fifteen week strike at Courtaulds. Do you want that to happen here? That's what happens if you bring the unions in". It's

even worse now. Today at Spennymoor "closure is a veiled threat all the time. And it gets home. They really have got a bloody strangle hold here now. We've got a frightened audience in Spennymoor now and we're going to have a hell of a job getting in there.

In the North East, unemployment (that century-old regulator of the working class) still retains its hold. Clearly workers who fear for their jobs will be less likely drawn into open confrontation over their rights with management. But it goes deeper than this. The success of management policy at Black and Decker points to the ways in which a lifetime in a "depressed" or "problem" area (even one with a significant labour tradition) has lead people to undervalue their own political rights. Perhaps this (and not the absence of wage negotiations) is the most telling aspect of the Black and Decker experience. Certainly this is how the union activists within the factory see it. For them the issue of union recognition centres on the question of independence; of the rights of working people, not to have their lives run by rules and procedures established at Head Offices around the world. To quote one of them:

I think Black and Decker is morally wrong.

Black and Decker make their own policy and when it comes to severe judgement Black and Decker are judge and jury. Management are judge and jury and that's wrong.

What is wrong is the extent to which the lives of the people in this area have been hocked to the boardroom decision makers. The Spennymoor experience is a testament to the vulnerability created by this dependence on a multinational capital.

SIXCOMPANY RULES

When talking about the problems which workers in the North East face within the new manufacturing sector, one young shop steward observed that:

The working man tends to ask "Why do we need the trade union because we've fought our battles, we've got the bairns out of the chimney. We've got the conditions when we don't send women down the pit. So why do we need a trade union?" To my mind you need a trade union today more than you have ever needed a trade union, because you need organisation and muscle to fight the multinational concept.

You need an organisation because (in spite of the propaganda and the "new ideology") the "old problems" which have faced workers do not go away with the arrival of modern industry. You will remember in Chapter Two, workers talked of foremen who would happily return to the nineteenth century. The implications of this is made all the clearer at Black and Decker where people find that the "progressive" policies of involvement participation and the like all too easily break down. So workers still need trade unionism - and for the old reasons. But in the new "multinational context" the problems which trade unions have to deal with take on added dimensions: a fact which trade unionists in the U.S.A. have leaned to their costs and which we in the U.K. and Europe will have to adapt to a great speed.

1. Information

To begin with there is the question of investment. Each of the plants in the North East operates as a subsidiary within the wider, (global) corporation. The survival of each of these plants (the level of investment, its position within the company's overall product and marketing plan) is dependant upon decisions made at Boardrooms away from the North East. These decisions often involve the tapping of massive state funds to the Company's needs. Even the factories with strongly organised trade union committees are vulnerable to the control of the centre. As one shop steward put it: "Our power is at local level - union power. The Company's power is at the centre". The dominance of the centre comes clear as workers, shop stewards, and union officials consistently point to the fact that they have little idea about the forward development of the company or the future of their plants. Movement of work and even closures come to them "out of the blue". They complain that they have few ways of assessing the financial viability of their particular plant within the company's world wide operations.

This is our biggest stumbling block. If you don't ; know how much they have received how can we diagnose what it has been used for. This company, like most multinationals, does not disclose their profits on individual plants.

This is felt all the more acutely in the case of the State assistance given to firms in the form of grants. All the stewards we talked to recognised the importance of this source of funding. As one of them put it: "What subsidy don't they get for employing men nowadays?" Another saw that the company he worked for "exists on grants".

They've got the factory rent free for "X" number of years when they moved in. They're still getting grants from the Department of Industry on new machinery they've put in; they're getting grants off the Department of Employment for new men they take in; they're getting grants for training people. I don't know - I think they get grants for getting up in the morning.

Grants are important therefore, and although the 1972 Industry Act allowed for publication of much of this state funding, no one we talked to knew the extent to which their employer benefited from such financial support. Managers mentioned politicians and directors "getting together behind closed doors", shop stewards insisted on the significance of government aid for their particular factory and resented the fact that they were no way involved in, or kept informed on, the discussions. Everywhere there is suspicion and rumour.

We know the reason they came here. We've been told and we've had discussions with people in local government who were involved at the beginning. They're always having money. They're wanting to have more again. Our councillor said to me "there's something in the air here: they want to borrow a canny bit of money". They're always saying that they're interested in expansion. But into what? There must be fifty buildings on this site but most of them are warehouses and that's what they'd want more money for now. Or should I say, that's what we suspect they'll want it for. More storage space; but that doesn't make any more jobs.

A point echoed, almost plaintively, by a steward in another plant.

Grants are paid by the taxpayer and we would like to know where the money is going. We tried to find out what grant this company had received over the last two years but we couldn't do it.

At one level, therefore, workers in those companies face a "problem of information". They simply do not know what the future is likely to bring; they do not know management's plans. That this is not peculiar to the North East is made clear in ACAS's, Code of Practice on the disclosure of information

The code poses no legal obligation upon any employer to disclose any specific item of information. Failure to observe the code doesn't by itself render anyone liable to proceedings...In providing information the employer is not required to produce original documents for inspection or copying. Nor is he required to compile or assemble information which would entail work or expenditure out of reasonable proportion to the value of the information in the conduct of collective bargaining.

The implication of this was made clear in a recent national survey of firms in the U.K. This survey established that trade union negotiators had at their disposal none of the kinds of information necessary to combat management arguments or unravel the company strategies. The information they had was either out of date or in an inappropriate form. The author concludes by

echoeing the ACAS code and contrasting the position of the trade union under the Employment Protection Act (which "people" are now arguing "goes too far") with that of the company auditor:

The employer does not have to allow inspection of any document other than the one specifically prepared for providing the information. He is under no obligation to produce any documents, accounts or any material to verify the facts or to show that they do not contain misleading statements. This means that the information discussed cannot by legal right be subject to independant auditing or 'checking by the trade union. This contrasts with the right of the auditor who acts on behalf of the shareholders to go into the firm and examine any original document and not just take management's word for it, or management's interpretation of the facts.

The big companies then provide as little (or as much) information as they like. In effect this means that, in this modern phase of capitalist development, trade unions need to take on the role of information gathers. Without this (and the "research" into company strategies) their members are made increasingly vulnerable to the long-term plans made privately in Boardrooms. Without the research undertaken by the GMWU, the activities of Dunlop in the tyre import and export business would not have been known. But even this (highly successful at the level of propaganda and publicity) was a bit like closing the door after the horse had bolted. The fact remains that the Dunlop Company had for years been systematically developing its most advanced technology in foreign plants. Scraps of

information were available (U.K. workers helped set up new plants) but this information was never collated and examined systematically.

2. Isolation

The "problem of information" is one of the main issues posed to trade union organisations by the new multinational organisation of business. This problem is based upon a deeper - and more problematic - reality. The modern corporation itself is a highly flexible system, operating on a global basis. Within that organisation knowledge and information is systematised, controlled and managed. While production takes place in individual plants scattered across continents and around the globe, production decisions tend to be centralised through this system. For trade unionists in these plants this means that they are perpetually brought up against management who don't make decisions. In combating this they are frequently isolated from the other workers employed in the same company struggling with similar problems. This sense of isolation was one of the strongest impressions we gained from our discussions with shop steward committees. It came over clearly in the talk we had with shop stewards and managers at the Cape Universal Asbestos plant at Bowburn. In 1966, Cape Universal bought out the UAM company, who originally owned the Bowburn plant as part of a major rationalisation of the asbestos industry. Since then workers in the plant have felt increasingly vulnerable.

"It's a matter of supply and demand in this industry".

We hear that all the time. When the yard gets full we know there are no orders at all and then we get worried. We've had enough redundancies too - due to loss of orders.

In fact the major redundancies which have taken place were brought about by the movement of the hand rolling section from Bowburn to the Company's main plant at Watford in 1976. This move accentuated the plant's subsidiary status.

and its dependance upon the Watford plant. In this situation the workers at Bowburn feel both isolated and exposed. A situation which the company has not been slow to exploit. One steward put it like this:

We have a yearly visit from one of the Directors. He comes up from Watford and he tells us about the market, about the company. Last time he said "the sheets are not selling". So we said "what about Bowburn?" He wouldn't give us a definite answer. As to the future, he wouldn't tell us anything. They always want co-operation from us but they won't co-operate in return. If we've been co-operating along with them and then we have a problem, they won't help us. We say "but we're happy to co-operate with you when you've got a problem". And they've always got the same answer. "But that's for your own benefit". It's amazing really.

These experiences have left their mark, further isolating the workers in the Bowburn factory.

While their dependence upon Watford increases, there has been no contact between the shop steward committees from the plants. Some of the workers visited Watford once, to play football and returned with the impression of a huge factory, with three or four times the capacity of the Bowburn subsidiary. "Watford must have seven machines, or even nine. We've only got two"... At Bowburn knowledge about the company's other operations is rudimentary. Largely it is gleaned from lorry drivers.

To be honest we don't know the situation in the other plants. We just don't know. We get some information on pay comparisons through the lorry drivers, but that's about it really.

The extremes of this isolation contrast with the position of workers' organisations in one or two of the other companies we contacted. At the Caterpillar plant at Birtley, the works committee have informal contacts with their counterparts in Scotland and the Midlands. These contacts are used especially during the annual pay rounds when the various rates of pay are compared and contrasted. At the Corning plant in Sunderland the shop stewards committee has had contact with other glass workers in the company's other two plants in Britain and on one occasion, managed to be of assistance to the workers at the Suverell plant in France. A union official put it like this:

We have some links with the other plants through the national office. On the Suverell issue we couldn't get any information at all. We got no reply from the plant when we tried to contact the people there. When they approached us with a problem they had, we readily agreed to co-operate, but we could get no reply on the issue of the glass tubes.

This led them to:

introduce a clause into our agreement with the company. Our co-operation with them in production is limited to what goes on in the Sunderland complex. We will no longer co-operate on movement of work. We are going to have to do things like this, have some control over the movement of production within the multinational companies.

At Dunlop, the shop steward committee presents the clearest example of a situation where organised attempts have been made to combat management's strategy of isolating the work forces of separate plants. Because the Dunlop corporation has four plants in the North East there was to begin with, a much stronger basis for support amongst these workers than those at Bowburn. Nevertheless each of the Dunlop factories can be seen as "subsidiaries"; like the Cape plant they are subject to the external dictates of the market and the Head Office. At Dunlop the shop stewards' committees have attempted to unite through a combine committee - a rank and file structure which aims at linking all shop floor committees within the company's European operations. The combine committee operates on three parallel structures, covering manual, skilled and managerial staffs. Historically it had its roots in an unofficial organisation developed on Clydeside and Merseyside; shop stewards from these plants providing the first officers of the committee. From this base the committee was expanded by way of letters to all the shop steward committees in the U.K. It was in this way that stewards from the North East plants became involved.

We received a letter from the combine secretary in
 Liverpool inviting us to attend a combine meeting
 which we did and we've been a member of it ever
 since. That was in 1971.

Since the early days the combine committee has developed from an unofficial body to a quasi official one. In this, changes in the structure of the company and its collective bargaining arrangements have had a considerable effect. The old Dunlop company was traditionally a member of the National Joint Industrial Council (NJIC) for the rubber industry. This body negotiated basic rates across the industry, allowing for local bargaining within that framework. Under the NJIC there were no company-wide negotiations.

As such the combine committee's structure was entirely at odds with the pattern of bargaining within the industry. This altered with Dunlop's move out of the NJIC and its implementation, with the unions, of a structure of company-wide negotiations. As one local GMWU branch secretary said:

Dunlop in their wisdom decided to break away from the old NJIC and form what they call the Dunlop NJIC for national negotiations primarily with Dunlop. From then on the combine expanded. That was really the start of the combine as it stands now.

This point is echoed by his union officer:

At Dunlop you have a national agreement which influences the situation there. That's one of the main reasons behind the combine committees development. The officers of the combine are part of the national negotiating set-up at Dunlops.

It is clear that in the context of the Dunlop corporation, the shop steward combine committee has had an important influence. After the amalgamation with Italian tyre company, Pirelli, the committee set up an international steering committee which has organised two European-wide days of action. Rank and file delegate conferences from plants across Europe have been organised, and within the U.K. the committees have met on a regular basis. At the local level there is no doubt that the presence of the committee has helped break down the isolation experienced by workers in subsidiary plants. Through the committee shop stewards have learned

about the structure of the company, and the position of their plant within it. It has given them a confidence in their negotiations with the company. This comes across clearly when talking with them. Listen to this shop steward:

The major stimulus for the combine came from the areas where you've got a record of industrial solidarity anyway. The North East, Merseyside, Wales... That's the hard core of the combine. You attract other people who come and realise its something they should be attached to because it strengthens their argument at the end of the day. It all comes back to the politics of this country. The areas of the country which have always given the money men, the politicians, the hardest time, are being slowly eroded and beaten away to try to knock them into subserviency. I think it's a calculated thing. They've just about destroyed Liverpool (you go there; it's bloody pathetic you see a city dying on its feet) and they're destroying the North East.

We all know how the multinational works. It's a proven fact over the years. You've got your central office and your cash accountants... What I think we should be interested in is how we are going to combat the multinational. If you've got an organisation like a multinational with its centralised point and its tentacles all around the world then the trade unions have got to form an organisation that is international too.

What has been achieved at Dunlops over the years is important, and given the obstacles even remarkable. However it is not a development without weaknesses, and this came over clearly when the Company announced its decision to close its Liverpool plant at Speke. The combine committee pushed for and achieved a national one day strike throughout Dunlop's U.K. plants in March, 1971. A forceful campaign was organised on Merseyside. At the end of the day though, the plant closed. And it closed, in part, because of the vulnerability caused to the Speke plant by the logic of the company's international development. In effect the resistance (established after the closure was announced) was too late. As one North Eastern shop steward saw it:

If we had had a strong international set up five or ten years ago Speke would have known where all the products went over the years. We would have been able to keep our finger on the pulse. If we want job security nowadays we can't be parochial about it.

So Speke closed. So too did Vickers' plant at Scotswood where the stewards had also developed a combine committee. At the moment British Leyland is being decimated by Edwardes' strategy. In each of these company's the presence of a combine committee structure has been important; it cannot be said however that these committees, in themselves, have been enough. Reflection on this a local GMWU official argued:

At one time the GMWU and the TGWU were rather hysterical about unofficial bodies like combine committees. But I've had no problems at all from the Dunlop combine. I think there is a place for a combine committee within the trade union

the region as a whole is undeniably a matter of urgency.

In this situation it is all too easy to go back to the "old planning" (more of the same) without facing up to its deficiencies. If the labour movement is to escape being trapped between "no planning" and "the old planning" it is going to have to produce a new initiative, based upon a common front of all trade unions, branches and shop steward committees. Such an initiative - if propagated through the Labour Party, trades councils and the other organisations of the Labour movement - could possibly create an alternative view of planning and one upon which some mass support for new policies could be obtained. The alternative (without such policies and support) is grim indeed.

structure. They can be good; they can be very helpful and effective. The convenors get together and produce ideas which can be put forward at the NJIC. They are there to keep the people on the NJIC on their toes, if you like. I can understand that and I can see that they can be a very good pressure group. In many cases the combines are an unofficial movement with official backing because they have got a part to play. They'll fall down though if they think they can do it all themselves without the official union.

This view reflects a growing tendency within trade union organisations, and the TUC; a view which sees combine committees filling an important organisational role within the corporate sector. This view has been particularly influential where companies like Dunlop, operate corporate bargaining structures. To this extent it can be said that the "unofficial bodies" have won the argument. It has been conceded that the organisational forms that they have developed reflect a growing change within the organisation of industry. Trade unions are adapting their organisations to meet these changes. But there is more than organisation involved. The changes (and the threats) posed by multinational organisations demand that labour movements develop alternative strategies to combat them. Strategies which - in the very nature of the problem - will need to question the established limits of collective bargaining. The situation in the U.K. is such that the fight for such strategies has now become a matter of urgency.

SEVENTHE NEED FOR A NEW REGIONAL STRATEGY

Having read the last sixty odd pages of evidence it is important to remember that the North of England is not unique. The experience of workers in this area reflects the region's incorporation into a new international division of labour. By way of the multinational corporation, production is being re-organised throughout the world, and as a consequence we are living in a society where production is increasingly organised on a global basis.

It doesn't take too vivid an imagination to comprehend a future organised on this basis, which is frightening. In the U.S.A. for example, people have coined the idea of a "1984 solution" achieved by the corporations. Some workers would, of course, benefit in such a world (the corporations would "take care" of them) but from the standpoint of the working class as a whole, socialism, and the whole of mankind the growing power of the corporations presents a real threat. A threat posed in different ways in different parts of the world. In the U.S.A. - the centre of world capitalism and the "home" of most of the powerful multinationals - workers in the late 1960's experienced the problem of "job loss". Plants were opened in the Southern States (the Sun Belt) and through into Mexico and Latin America. Capital investment expanded into Europe as the auto corporations, amongst others, established a European production base. In 1976 Chrysler workers in Detroit demonstrated against the idea of further European expansion.

The extent of "job loss" was such that organisations within the U.S. labour movement attempted, from the late 1960's, to develop a strategy to obviate it. The car workers' union (the United Automobile Workers) was a prime mover in this. In 1968 their convention adopted a resolution which related to the foreign investments of U.S. corporations, arguing that U.S. wage rates should be the base for workers in the auto plant throughout the world. This resolution, (which proved as you might imagine, difficult to

implement) led in 1971 to the American T.U.C. pushing for a Bill which would challenge the whole legality of uncontrolled foreign investment. This Bill (the Burke-Hart Bill) aimed at compelling the corporations to include investment decisions within the bargaining framework. It proposed an increase in taxation on the corporations' foreign income; a licensing of investment into plant and machinery abroad; more complete corporate disclosure of international activities; some control over re-imports. The Bill was designed to enable the trade union movement to bargain over the investment decisions of the corporations. It never became law, and the U.S. labour movement remains riddled with the problem of "job loss" as factionalism increases and union membership declines.

The U.S. experience is a salutary one. Over the last five years the issue of "job loss" has become a central one in Europe as the corporations have reorganised production on a continental scale and now, re-investment in Africa and the middle and far East. The experience we have chronicled in the North East is but a part of this. It is reflected many times over in regions throughout Europe. As Courtaulds closed down at Spennymoor with the view (perhaps) of a new location in Egypt, so too do the other multinational corporations open up and close down. In Italy for example, Dunlop-Pirelli closed down its Milan plant and re-opened it across the border into Switzerland where it rehired Italian workers, but as low-wage migrant labour.

One North East worker described what must be a universal phenomenon in this way: "they've been 'closing' here ever since they opened". Increasingly this is the problem which the European labour movement is going to have to deal with. As yet there have been few successes. In Italy the rubber workers have managed to commit Dunlop-Pirelli to a minimum level of employment in the Italian plants. Such an agreement is the exception though (and this still has to be tested), by far the rule is the unfettered operation of the corporation within Europe (East and West). And this in spite of

attempts by the OECD to establish guidelines and codes of conduct.

Within Europe the British labour movement stands out for its history of independence, unbroken by military rule and dictatorship. At the same time the British economy, for historical and structural reasons, is acutely vulnerable in the context of the developing new global economy. The outcome of the present crisis will be a test for both.

The North East, of all regions in England, stands for a working class tradition. The Jarrow march and the Durham miners Gala have become symbols of the British Labour movement. Today though, the gala is a shadow of former times. Now just nineteen (and not two hundred odd) lodge banners parade through the city. The pits are closed. The irony is that they were closed under nationalisation and under a Labour Government. While it is easy to eulogise the past and to gloss over the harsh and barbaric nature of work in the pits that were closed down, the effect of the closures upon a working class tradition cannot be overstated. For the miners in County Durham the nationalisation of the pits in 1947 was their solution. It was a strategy which came out of their experience of the coal owners. But nationalisation produced rationalisation and closure. In the 1960's the Labour Party offered new industry as a solution to closures. Again the solution was used against the Northern people. For the new industry was private enterprise in its most heightened form. As one ex-miner put it:

Its private enterprise, the God of profit. It was the same with the coal owners under private enterprise. Coal was never extracted on a planned basis. It was coal here, coal there. And it's the same today with these firms.

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The difference today though is that these firms have colonised "planning". They do plan their operations and they have benefitted from the attempts by successive governments to plan national economies. In the end governments have planned for them, and this has created a political crisis for the British Labour movement which is as powerful as the economic crisis which we all face.

Planning brought new industry to the North East. It opened up new factories on the old Durham Coalfield. It provided grants and incentives for corporations to set up shop and "give employment" to ex-miners and their wives. But "planning" did not attempt to control the activities of these corporations once their plants opened. They were not forced to stay and encountered no penalties if they closed down and left. (At the time of the closure of Courtauld's plant at Spennymoor, Councillors on the Sedgefield DC were still claiming that the Company's activities were nothing to do with them, that they couldn't involve themselves in what was basically an industrial relations problem.) Neither was there an attempt to plan the kinds of production and work which was attracted to the area. The 1960's produced an ensemble of subsidiary operations; all controlled from their various Board Rooms; all employing what is basically a semi-skilled repetitive labour force. The new planning succeeded in attracting "jobs" but it did not create work which fitted into any conception of a region's "needs" or of a "regional economy".

Closures like this led trade unions from the area to bring critical resolutions to the 1979 Regional Conference of the Labour Party. The AUEW (TASS) stressed the loss of skilled craftsmen to the region's economy. A GMWU resolution condemned "the secrecy and lack of public accountability which surrounds the awarding of Government grants to industry" and advocated that "any organisation receiving large sums of public money should not only have to fully account for the manner in which such money is used, but should also be compelled to use such money in a socially responsible manner". It was in

such a context that this GMWU official remarked to us:

In the North East people were used to working for one firm for the whole of their lives. That's all finished now. But how can we beat unemployment? Especially in towns like Sunderland and Liverpool. I keep wondering what would be wrong in asking "what sort of things do we need - all the people in this area". What would be wrong about asking that and then producing it?

To talk like this is to talk about "planning" in a different sort of way. At the least it involves an appreciation of the fact that the decisions over investment and disinvestment are still taken in the Boardrooms of giant corporations and that these companies need to be controlled. In the context of severe cuts in public expenditure it raises the question of what should be cut: steel plants or the salaries of higher civil servants? Beyond this - and in a broader sense it raises the question of production, and asks us to consider the possibility of planning for people's needs and to contemplate the possibility of those people making decisions over the things that affect their lives.

It also puts "the region" in a different perspective. As things now stand, "planning" for the corporations has produced disillusionment amongst working class people. On the one hand it has brought closures and uncertainty, on the other it has often left their trade union and Labour Party enmeshed in the bureaucratic regulation of big business through check-off arrangements and planning committees. Keith Joseph has marched into this void. His policies (which identify key areas for aid within the Northern Region) will merely exacerbate the problem experienced by working class people in this area. They will foster competition between local authorities, trade unions, and groups of workers. All this at a time when a strategy for