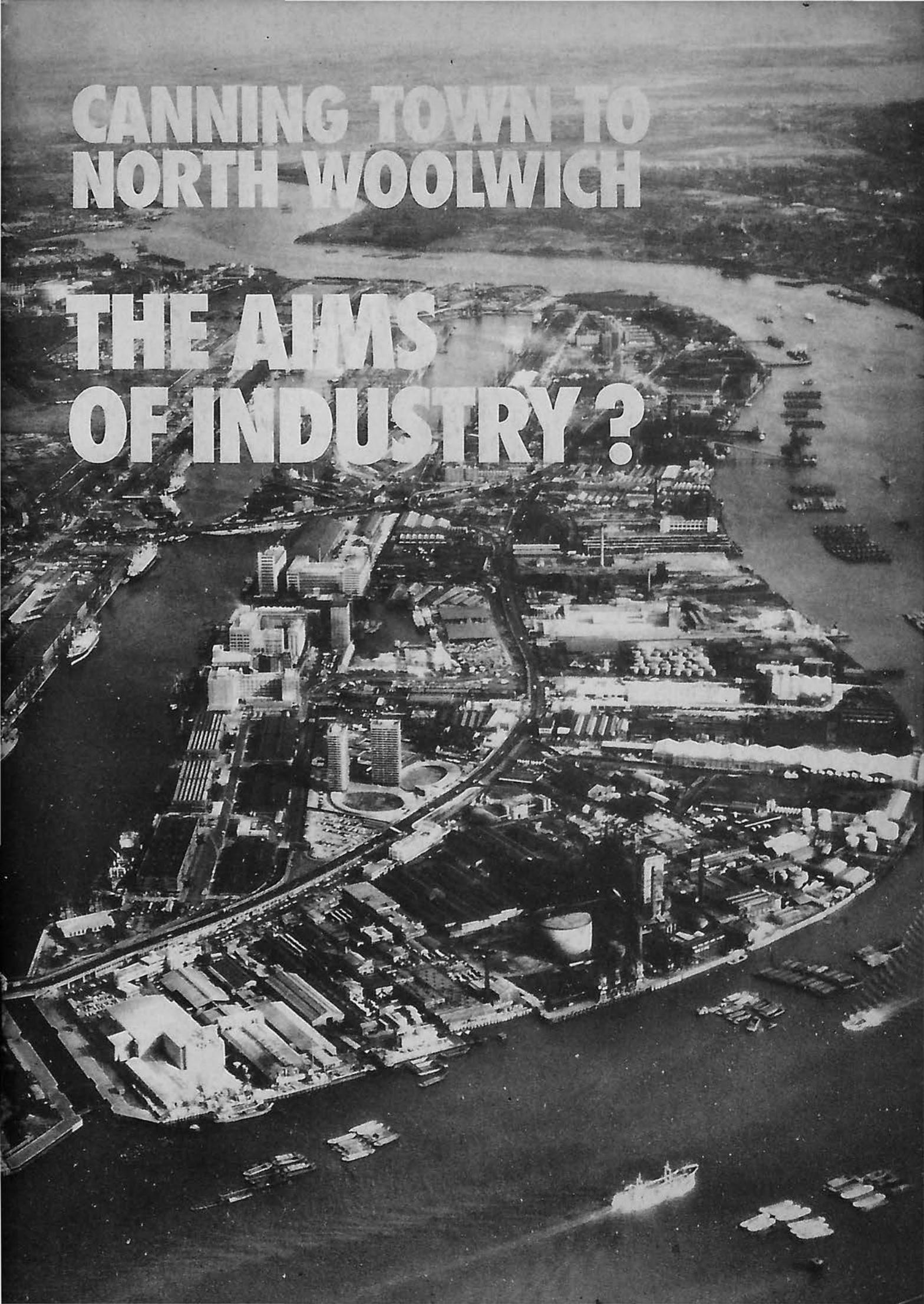


**CANNING TOWN TO
NORTH WOOLWICH**

**THE AIMS
OF INDUSTRY ?**



CANNING TOWN TO NORTH WOOLWICH

THE AIMS OF INDUSTRY ?

A study of industrial decline in one community



Canning Town CDP

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Foreword

It is with pleasure that I associate myself with this work on 'Industrial Decline in one Community' since the community in question is the one in which I was born and bred, although as a socialist I hesitated to lend my name to a publication which includes in its title "The Aims of Industry,":

I personally welcome the contribution and help given in this publication towards resolving the problems of lost industry and jobs from Canning Town, which is vital to all of us in Newham. In like manner, many similar areas in London and elsewhere in this country share this common concern.

Successive governments and the T.U.C. have supported policies to encourage industry and jobs out of London. The substantial finding of the report has shown the very structure of this community and its jobs and environment is being destroyed. These policies have to be halted, and to the extent that

this study points out the error of their ways and helps to indicate the changes of direction needed, I hope it will be read and acted upon by the government. Although the new found land of Dockland, within Newham, could make a contribution to creating a better future for the area, it will only do this if new powers are granted locally to allow land to be taken into public ownership, and to renew the declining area for the benefit of the local community.

This report left me with the thought that perhaps now is the time for Councils, Councillors, locally and at regional level to take a hard look at the problems created by industry amongst the people that we all represent and to see what part we must play to change the policies that have produced conditions like those documented in this study.

I commend this study to you and trust you will find it as provocative as I did.

Bill Watts.

Councillor Bill Watts, Chairman of the Town Planning and Housing Committee, London Borough of Newham.

Acknowledgment

This report is published by Canning Town Community Development Project. The contents reflect more than a years work by members of the project team and are intended as a contribution to the mounting discussion of industrial decline both in Canning Town and in other parts of the country. The analysis and interpretation contained in the document are not necessarily those of the London Borough of Newham, the Home Office or the North East London Polytechnic who are the three sponsors of the Community Development Project.

Our thanks are due to the many people who gave their time to discuss the ideas in the report and offered comments on the earlier draft. We owe a particular debt to Professor John Greve of Southampton University and the Home Office who enabled us to get the work under way a year before it would otherwise have been possible. We would like to thank the many trade unionists who helped in providing information and comments, the Newham Borough Planning Department, the Canning Town Employment Exchange, the G.L.C. and local industrialists for their assistance and cooperation in our enquiries.

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Front Cover: Looking eastwards – Silvertown, North Woolwich, Royal Docks, River Thames.

Back Cover: Looking northwards – Barking Road, Rathbone Estate, Memorial Ground, River Lea.

Aerofilms (1968)

Introduction

When Silvertown Way was opened in 1935 it was called "the road to the Empire". It led to the Royal Docks, the largest inland docks in the world, which handled a bustling trade of raw imports for the refining industries around the docks, and manufactured exports from many parts of Britain.

Canning Town was built around the docks and its associated industries in the latter part of the 19th century and people came from all parts of Britain and Ireland to find casual work. Concentrated in rows of mean, badly built and grossly overcrowded little houses, the community organised itself to deal with the everyday problems of survival under such conditions. The area is justly famous for its militancy and socialism. Ben Tillet organised the great dock strikes of the 1890's and Keir Hardie was elected by West Ham as the first socialist M.P. in Westminster.

During the second world war, Canning Town was badly damaged by bombs and many of the families were evacuated. Many of them never returned and still more have left in the intervening years. The population in 1971 was less than half the population in 1931. Although the watershed for the decline of the area was the second world war, the processes that encouraged this decline were present many years before. Throughout this century, Britain has slowly lost its world importance as an imperialist power and the old trading patterns and industries based on the Empire have crumbled. At one time, Canning Town and the Royal Docks were of crucial importance to the British economy; now they are just part of a crumbling older industrial area which has been ignored in the national rush towards greater productivity and the attempt to maintain the international competitiveness of British industry.

In the post-war period, there has been an ever-

increasing rate of monopolisation of capital and rationalisation of industry in Britain. It has resulted in the mass movement of industry away from the older industrial areas to virgin sites all over the country. Government policy has deliberately encouraged this process of modernisation and there can be little doubt that it has been beneficial to the national economy. But whenever there are development policies for some areas, there are necessarily, as a consequence, under-development implications for other areas. Like most of the older industrial localities of Britain's cities, Canning Town has been made the sacrificial lamb to industrial development policies elsewhere in the country, to the cost of its 43,000 residents and local workers.

This report focuses on a specific locality and at the processes which have affected industry and employment in Canning Town since 1966. Each month for the past ten years, the local press has reported a decline in the number of jobs in Canning Town. There has been nothing dramatic like the A.E.I. closure at Woolwich but the decline has proceeded steadily and practically unnoticed. Only when the numbers are added up does the true picture become known.

Between 1966 and 1972 Canning Town lost 17,800 of its industrial jobs and nearly one in 2 workers experienced redundancy. The net decline was twice the rate at which people have left the locality. For every three jobs that have vanished, only one new job has been created.

This report goes behind these bald figures and investigates exactly what has been happening to industry in the locality. The Community Development Project has concentrated its attention on this issue because without a sound economic base, a community cannot survive. The final chapter looks at what needs to be done if the situation is not to worsen severely.

Preface to second edition

September 1977

This study of "industrial decline in one community" stimulated wide comment and discussion when it was first published four years ago. (1) and republished as "Canning Town to North Woolwich:

(1) "Industry & Employment in Canning Town":
Nov. 1973 (draft).

The Aims of Industry? January 1975. It was a political event locally; welcomed by some, threatening to others. It provoked both vigorous denials about the predicted closure of several industrial companies and debate about the necessity of a coherent local action strategy to defend the areas economy, slow down the rate of decline and raise demands for control over the re-investment

decisions of companies which have been transferring investment elsewhere.

The report was concerned not just to describe local economic change since 1966, but also to predict the local pattern of economic change onwards from 1972. This opportunity to re-print a new edition now presents an occasion to record the changes which actually took place between 1972-77 and to reflect on the relevance of the earlier predictions and the effectiveness of measures taken to resist the erosion of the community's economic base.

The original purpose was not to write a definitive study of Canning Towns economy but rather to help lay the basis alongside 'The Docklands Study?' published by the West Ham Trades Council in 1973 and 'Jobs in Jeopardy' CDP Interproject report 1974 for a closer analysis of the industrial changes taking place and to stimulate an alternative approach to small area economic analysis. The text therefore, stands as it is, with the original strengths and weaknesses. Rather than make the detailed amendments now required to bring it up to date, a new final postscript 'Five Years On : 1972 - 77' provides a general overview and draws attention to some of the more significant events over the past five years.

The original report helped to establish new perceptions of local industrial change. Its subject was the pattern of development and decline of one small working class community and the social costs of the withdrawal of capital from the local industrial structure. More generally it questioned how the major restructuring of British capitalism since the mid-sixties was shifting this once important industrial centre to the periphery of the economy, generating a new pattern of uneven development and creating an area of decline within a region of growth.

Whatever the terms used to describe it, two things are certain: that after 1966 the symptoms of a critical change finally became evident in the economy of Canning Town and despite the longer and historically different pattern of change in the north-east and elsewhere the same is true of most other older industrial areas; and that in 1972 there had been little serious investigation of why this was happening or even what was happening despite the plethora of social studies into "deprived" areas.

This is typical of how a process cutting across a number of areas — local community, local economy, national economy, central government tends to escape systematic investigation. Obviously no study at a local level can provide an explanation of what is happening nationally, but equally reliance on a national level of interpretation can fail to identify or relate explanations to the local symptoms of industrial decline. A local firm closes with local consequences, a local tragedy — or so it seems. The evidence from the growing body of small area economic studies ⁽²⁾ serves to emphasise how such changes cannot be explained in the context of a single area but only in terms of the wider process

(2) Eg. Costs of Industrial change — Industry the state and the older Urban Areas: Jan 1977 — CDP Inter project Report.

of capitalist change of which uneven development — the growth of one area at the expense of others — is a pervasive characteristic. Such studies have encouraged a dramatic change in both national and local perceptions of urban problems over the last few years — driven home by the rise in unemployment figures. But although the problems of the older urban areas have gained wider recognition, the causes appear hardly any better understood or acceptable to those who control government policy. The Lambeth Study ⁽³⁾ is typical in this respect of recent Inner City Studies. Economic analysis scarcely figured in earlier draft outlines on the problems of deprived inner cities but as the debate on industrial decline grew, it was belatedly incorporated. The importance now attached to it reflects a shift from the all pervasive subregional reports of the late 1960's, but little more than that. The new 'solutions' of tinkering with the housing or labour markets and population dispersal, still share the same framework which takes for granted the interests of capital as the primary starting point. In contrast, reports such as "Canning Town to North Woolwich: The Aims Of Industry?" were part of a programme which attempted to develop new insights into the forces operating on a declining area within the framework of the deepening crisis of British capitalism, and to supply relevant information about the control of local industry and land to both local trade unionists and resident organisations. It recognised that organisations controlled by local people were the main route to any effective action to change the pattern of the withdrawal of industrial investment and that linking industrial and community interests was of growing importance in that struggle.

For these reasons it emphasised upwards research, on the activities of specific companies requiring the collection of discrete information, rather than gathering mass statistics about the people and workers of Canning Town. Such 'downwards research' is primarily of use only as an instrument of social control.

The report also considered how the powers of the local labour council could support those local interests seeking greater control over the direction of industrial investment. The postscript considers both the measures taken and the extent to which local perception of industrial decline and industrial policy has changed.

Possible major shifts in the political direction of the next decade are being determined by the concrete realities of economic change in areas like Canning Town — lowered living standards, threatened expectations and traditional identities. The purpose of this extended review of the period beyond 1972 is not however to speculate on such possible fundamental changes in social relations but to describe the local movements of capital in Canning Town, the social costs and the measures taken to resist and defend the area's interests. Nevertheless, in so doing it is hoped that an extended description of changes up to 1977 will be helpful to those local interests concerned to make such links and pursue new policies and strategies to impose greater accountability and social control over the movement of capital both out of and into Canning Town.

(3) Lambeth Inner Area Study : DOE Jan 1977,

National patterns in employment & industry

British capitalism has been in relative decline since the beginning of this century. Ever since Britain's industrial monopoly was first challenged in the 1880's there has been periodic alarm about the international competitiveness of industry.

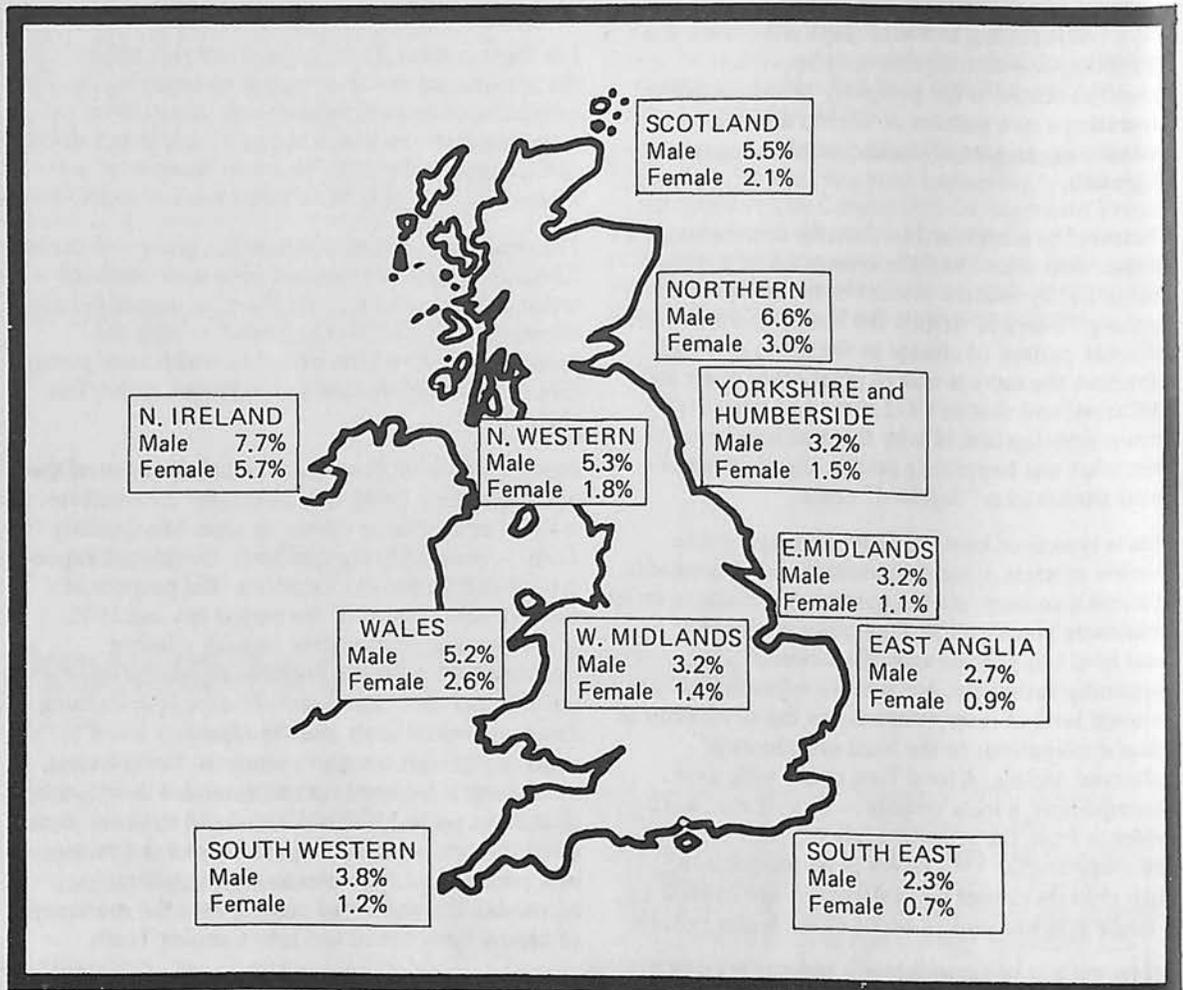
Throughout this period there has been an increasing tendency for the state to protect British capital through taxation and investment allowances, the creation of development areas and special development areas, the initiation of prices and incomes policies, and the direct intervention of the state as in the cases of U.C.S. Rolls-Royce and B.S.A.

Nationally, there has been a long crisis of under-investment in British industry, resulting in a relatively slow growth in productivity and very low profitability in certain sectors. These problems have been tackled on a regional basis. A glance at the map showing the industrially assisted areas of Britain gives the impression that the South-East has no problems. It has the lowest unemployment rates in the country, the lowest rate of bankruptcies and high rates of profitability. There is general

agreement between the government and the T.U.C. that the real problems exist in Scotland, Northern England and Wales, and the favoured solution is to get industry and offices out of London and into the assisted areas.

Any comparison of industry and employment between the regions of Britain clearly reaches the conclusion that no problem exists in the South-East. In Scotland and Wales there are whole sectors of extractive industry that seem no longer to be economically viable whereas in the South-East, with the lion's share of new industrial investment and a consequent concentration of new industries, it is argued that the real problem is a shortage of labour. The service sector in London is facing an un-precedented shortage of labour and even the management of declining industries in the South-East is worried that it will have difficulties maintaining its labour force as long as it is needed. At a regional level, the problem in the South-East appears to be a shortage of labour for expanding industry rather than declining industry and unemployment.

Fig. 1
Regional
unemployment
Oct 1974



Source:
D.E. Gazette Oct 1974

The East End of London simply does not reflect the tendencies in the region as a whole and because it is a special case, it has received very little attention from management, government or unions. We are dealing with an area of industrial decline within a region of industrial expansion. The reasons for this situation are historical. The East End of London was built as a highly integrated area for a very specific purpose. At the height of Britain's world trading monopoly, the Royal Docks were built to handle imports and exports, the associated industries were set up to service this trade and the people who were brought to live here were used as stevedores, mechanics, drivers and semi-skilled workers. There was a massive investment of capital in the Royal Docks and associated industries but even whilst the new building was going on, the world conditions that created the demand for such a concentration of port and refining facilities were rapidly changing. Britain's monopoly of world trade has long since gone. The London Docklands have become an area of industrial decline.

All the government mechanisms for dealing with industrial decline are denied to London's Dockland. Even the T.U.C. agrees that industrial development grants should not be given to the area. Left to the un-organised forces of the market in south-east England, it seems that ships will leave the upper Thames and move to Tilbury, Southampton, Rotterdam and other ports including maybe one day Maplin, and industry leave for the new industrial growth areas. The upper Thames will in turn become an area of expansion for the commercial needs of the City of London. The people of Canning Town do not feature in such developments. They become a reservoir of largely semi-skilled labour in the wrong place at the wrong time, to be used as and when required on work that will often be far from home. It is within this perspective that the Canning Town Community Development Project seeks an employment and industry policy for the area that will suit the needs of the local people.

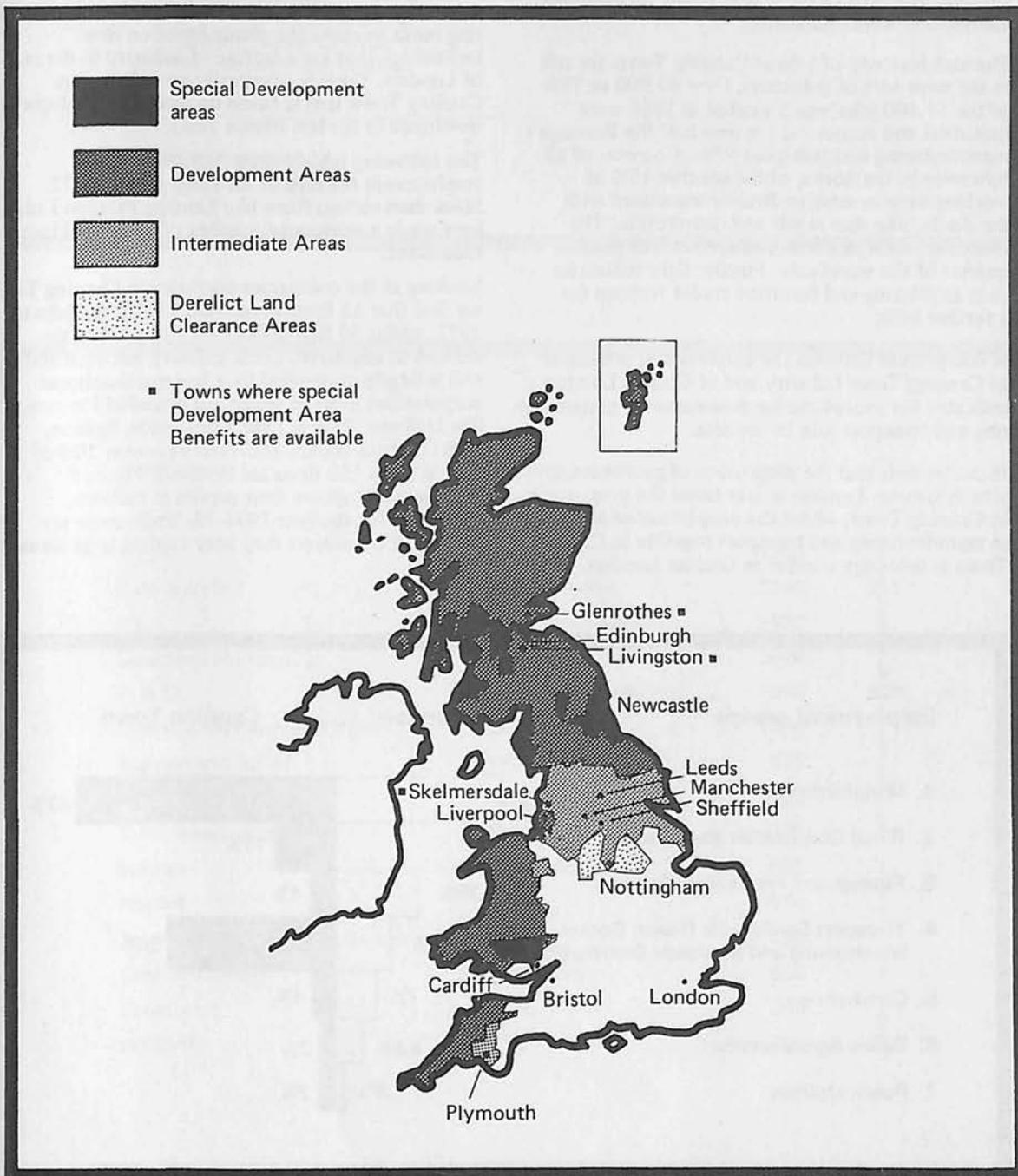


Fig. 2
The assisted areas

CANNING TOWN: Industry & employment

Canning Town is bounded by the River Thames on the south and the River Lea on the west. Along both rivers lie a major area of London's heavy industrial investment. From the turn of the century the cheap open land adjacent to the Royal Docks attracted processing industries such as grain milling and sugar refining. At the same time public health regulations applied to Metropolitan London forced noxious industries out of inner London and over the Lea Valley into West Ham. Finally the port itself meant ancillary industries such as ship repair, storage and distribution were established.

The vast majority of jobs in Canning Town are still in the same sort of industries. Over 40,000 or 78% of the 51,400 jobs which existed in 1966 were industrial and accounted for over half the Borough's manufacturing and transport jobs. A quarter of all jobs were in the docks, whilst another 15% of workers were in services directly associated with the docks, like ship repair and distribution. The refineries, mills and factories account for another quarter of the workforce. Finally, light industries such as printing and furniture trades account for a further 10%;

A comparison between the employment structure of Canning Town industry and of Greater London indicates the overwhelming dominance of manufacturing and transport jobs in the area.

It can be seen that the proportion of professional jobs in Greater London is four times the proportion in Canning Town, whilst the proportion of workers in manufacturing and transport together in Canning Town is twice the number in Greater London.

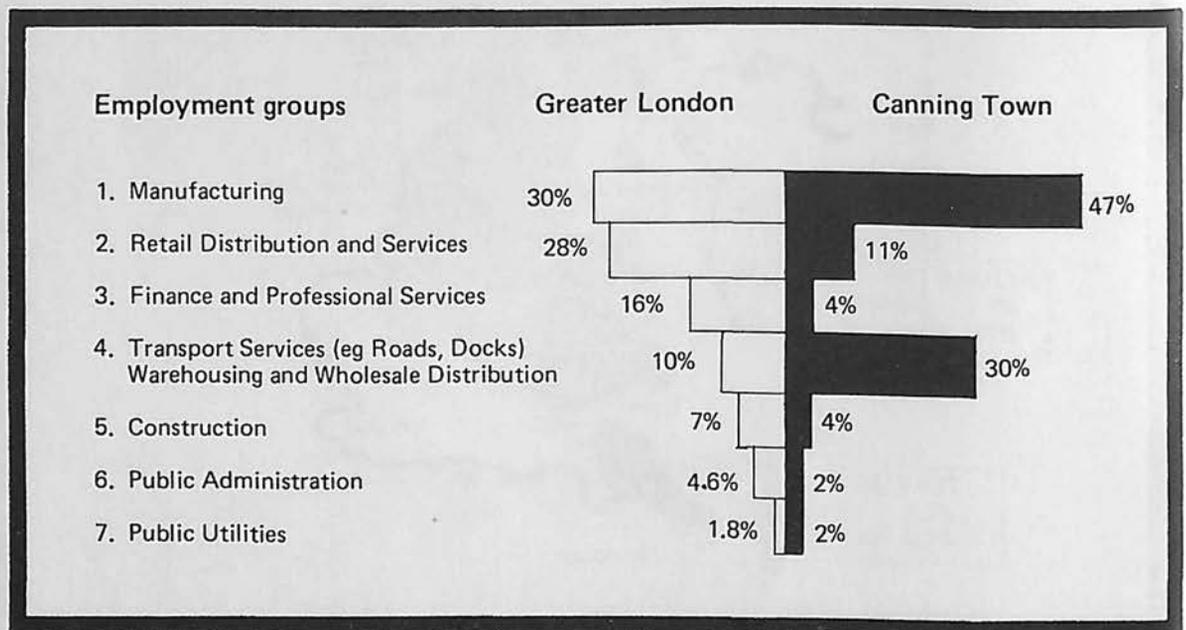
A breakdown of the manufacturing category, which accounts for 47% of jobs in Canning Town and 30% of the jobs in Greater London, shows the large concentration of food refining and processing and the generally specialised nature of industry in this area. Whilst more light manufacturing accounts for a third of all manufacturing jobs in Greater London, it accounts for less than 4% of jobs in Canning Town.

These figures reflect the fact that industry in Canning Town is concentrated in heavy manufacturing using older technology, whereas light manufacturing tends to cover the plants based on new technology that are a feature of industry in the rest of London. There is practically no industry in Canning Town that is based on newer technologies developed in the last fifteen years.

The following table, Figure 5, shows the big employers in the area in the early part of 1972. Since then certain firms like Lamson Paragon Ltd., have made a substantial number of their workforce redundant.

Looking at the companies operating in Canning Town we find that 15 firms controlled 75% of the jobs in 1972, whilst 50 first controlled 90% of the jobs defined as industrial. Local industry has been and still is largely controlled by a few multi-national corporations most of which are household names, like Unilever, Tate & Lyle, Courtaulds, Spillers, P. & O. Slater-Walker and Vestey's – over 10% of Britain's top 150 firms are involved. Figure 8 lists them and shows their profits in millions of pounds for the year 1971-72. While some are only small employers they may control large areas of land.

Fig. 3
Industrial structures
of Canning Town
and Greater London



Source:
1966 Census

Fig. 4
Structure of Canning
Town manufacturing
industry compared
with Greater London:
1966

Industry	Canning Town	Greater London
Manufacturing	%	%
1. Food Refining and Processing	14.7	2.8
2. Ship Repair	10.6	1.9
3. Engineering	6.7	9.4
4. Chemicals	6.0	1.7
5. Paper and Printing	2.9	2.8
6. Metal Manufacture	2.2	2.4
7. Other Manufacturers Rubber, plastics, vehicles, textiles, clothing, bricks, timber and furniture.	3.6	9.0
Total Manufacturing	47.2	20.3

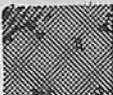
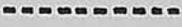
Source:
1966 Census

Fig. 5
16 companies
control 75% of
Canning Town's jobs

Company	Activity	Jobs	%
P.L.A.	Port Authority	3500	↓ 25% ↓ 50% ↓ 75%
Tate & Lyle	Sugar Refining	3260	
I.T.T.	Telecommunications	2400	
Scruttons Maltby	Stevedores	1840	
P. & O.	Ship Repair/Shipping	1680	
Overseas Mail Sorting Office	Postal	1200	
Lamson Industries	Printers	975	
Furness Withy	Stevedores	925	
Tube Investments	Metal Foils	720	
Spillers	Flour Milling	655	
Nestles	Pickles	585	
Transport Development Group	Haulage	550	
Ellerman Lines	Ship Repair	550	
Courtaulds	Paint	540	
Unilever	Edible Oils	350	

Source:
Dept. of Environment
ERI

Fig. 4
Canning Town Industry

-  Residents of Canning Town and Custom House
-  Heavy industry and Docks
-  Newham's Borough Boundary
-  Canning Town Employment Exchange, Boundary of local industry

0 miles 1



Fig. 7
Industrial structure
of Canning Town:
1966

	Jobs	Total Jobs	% of Total
THE PORT : Shipping, docks	13,000	13,000	25.0%
'SERVICES' TO THE DOCKS (1)			
Ship Repair and Marine Eng.	5,500	7,750	15.0%
Wholesale Distribution	1,100		
Storage and Transport Service	50		
Road Haulage	1,100		
TRADITIONAL 'PORT' INDUSTRIES (1)			
Refining: Sugar, Flour, Animal Feed		13,000	25.0%
Edible Oil, Tobacco	7,000		
Chemicals: Paint, Soap, Glue	2,300		
Electrical cable	2,200		
Petroleum Storage	750		
Timber	350		
Textiles: Sacking Asbestor	400		
OTHER MANUFACTURING INDUSTRY			
Paper and Printing	1,500	5,150	10.0%
Metal Goods	1,150		
Light Food Processing	650		
Mechanical Engineering	700		
Rubber and Plastics	550		
Furniture	300		
Clothing	200		
CONSTRUCTION	2,000	2,000	4.0%
PUBLIC UTILITIES: GAS/ELECTRICITY PUBLIC TRANSPORT AND POSTAL SERVICE	1,600	1,600	3.0%
DISTRIBUTION: RETAIL AND COAL	3,000	3,000	6.0%
OTHER SERVICES Launderettes, Cafes etc.	2,600	2,600	5.0%
FINANCE AND PROFESSIONAL SERVICES. Banking, Education etc.	2,200	2,200	4.3%
LOCAL GOVERNMENT	1,100	1,100	2.0%
OTHERS	—	—	0.7%
TOTAL	51,400	51,400	100%

Sources:
 1966 Census Workplace
 Table Local Sources.

Notes:
 (1) The headings
 'Services to the Docks'
 and 'Traditional ports
 industries' imply a
 historical dependence
 on the Royal Docks. The
 relationship is now
 defunct in some cases
 and industries are no
 longer tied to this
 locational pattern.

Fig. 8
Major British
companies in
Canning Town, 1972

	National bank x size of turnover 1972		Profits 1971/2 £ million		Profit as % to capital employed	
			71/72	72/73		
5	Unilever		89.2	15.1	17.9	
7	Shell Mex B.P.		n/a	n/a	n/a	
8	British Leyland		55.6	12.7	12.0	
9	G.E.C.		84.0	14.4	15.9	
10	Courtaulds		61.8	11.1	15.2	
11	(Standard Oil New Jersey (Standard Oil Indiana		32.2	n/a	n/a	
28	Rank Hovis McDougal		22.9	13.4	16.3	
31	Tube Investments		24.8	11.5	12.9	
35	Tate & Lyle		16.0	9.5	12.1	
63	P. & O.		10.0	3.3	5.9	
70	Spillers – French		10.7	11.8	11.2	
91	Rothman International		11.9	19.4	19.5	
113	United Drapery Stores		17.0	n/a	N/a	
117	Trafalgar House Investment		10.8	13.6	12.6	
137	Slater Walker Securities		21.0	n/a	n/a	

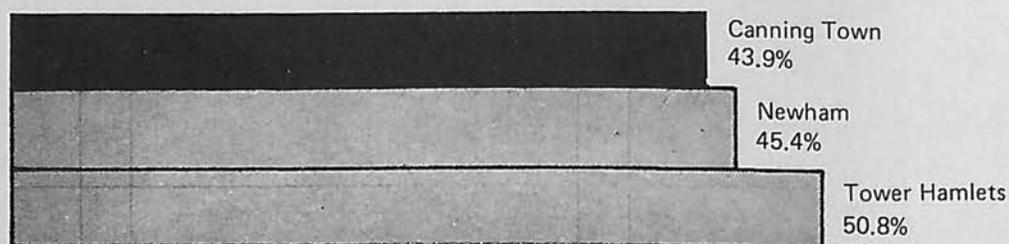
Source:
'Who owns who'
Times 1000 1972/73

Fig. 9
Employment of
Canning Town
residents, 1966–71

Industry	1966							
	Men		Women		1966 Total		1971 Total	
	Nos	%	Nos	%	Nos	%	Nos	%
Manufacturing	6,480	42.3	3,830	43.1	10,310	42.6	6,850	37.5
Construction	1,540	10.1	90	1.0	1,630	6.7	1,180	6.4
Utilities and Transport	4,310	28.1	630	7.1	4,940	20.4	3,600	19.7
Distribution	1,270	8.3	1,360	15.3	2,360	10.9		
Finance and Prof.	500	3.3	1,240	13.9	1,740	7.2	5,730	31.4
Miscellaneous Services	780	5.1	1,380	15.5	2,160	8.9		
Public Admin	390	2.5	290	3.3	910	4.67	870	4.7
Other	50	0.3	70	0.8	—	0.5	—	0.3
Total	15,320	100.0	8,890	100.0	24,210	100.0	18,230	100.0

Source:
1966 and 1971 Census

Fig. 10
Employment of
women: 1971



Source:
1971 Census

Note:
In 1966 the proportion
was 42.8% in Canning
Town

Of the 51,400 jobs in Canning Town in 1966, just under a quarter were taken by residents living in Canning Town itself. In earlier times firms like John Knights (Unilever) drew three quarters of their workers from the area and even today in established companies like Spillers 40% of the jobs are taken by local residents. The job structure of Canning Town's 20,000 resident workers is fairly similar to the local industrial structure itself. Two thirds of local residents work in manufacturing industries, the docks or transport services. An equal proportion of women as men work in manufacturing industries while a higher number of women than men work in offices and service industries. By 1971 local residents employed in manufacturing jobs had declined from 43% in 1966 to 37.5%, whilst employment in distribution and services had risen from 27% to 31.4%.

Of the 20,000 workers living in Canning Town in 1971, just over a third were women. The proportion of women who work was lower than surrounding areas, suggesting that married women particularly have difficulty in finding suitable work locally. The proportion rose only slightly from 42.8% in

1966 in contrast to higher rates of increase regionally. Women workers are heavily concentrated in low paid work with 83% in semi-skilled and unskilled jobs, junior office and personal services.

The traditional importance of manual skills for canning Town residents is well illustrated in the figure 11 below. 80% of Canning Town men work in manual jobs. Whilst the figure is higher than for the borough as a whole, the similarities are stronger than the differences. In contrast the average for London as a whole is only 50%.

Of jobs available locally in Canning Town three quarters are manual compared to 57% for the borough. This reflects the higher proportion of clerical jobs in the Stratford area.

There are critical differences in the type of jobs which residents take locally compared with those taken by the 52,500 workers who travel daily into the Borough to work. That Canning Town residents rely heavily on manual jobs has already been noted, but in addition there is a much greater dependence upon less skilled lower paid jobs by residents than non-residents.

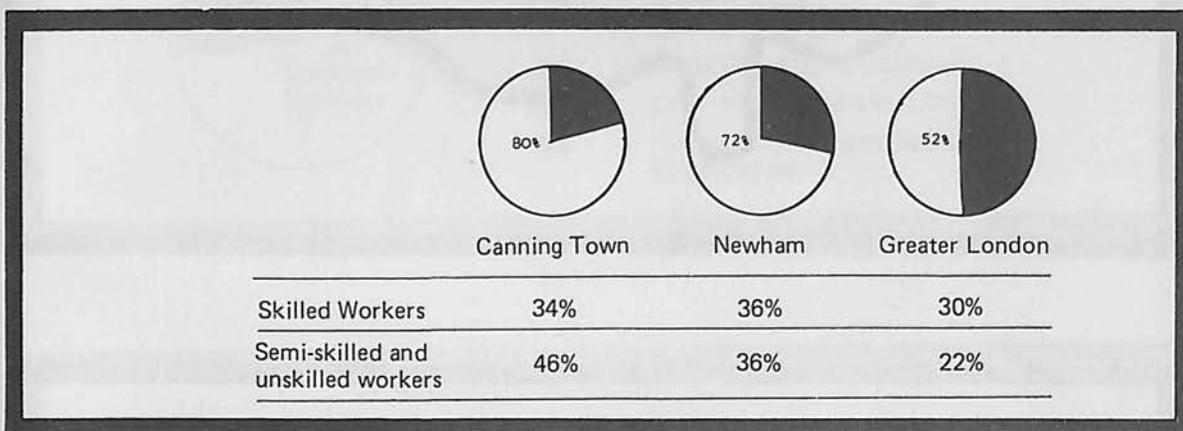


Fig. 11
Men depending on manual jobs

Source:
1966 Census

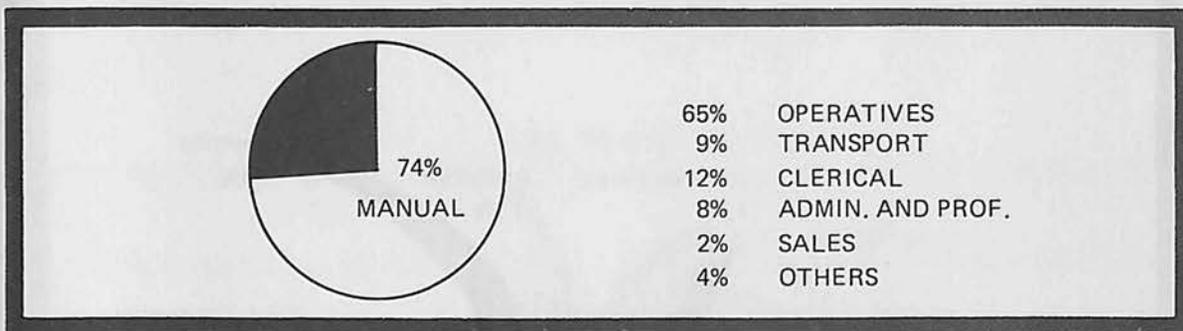


Fig. 12
Occupation of Canning Town employees 1972

Source:
Docklands Study
Industrial Survey 1972
Note:
Excludes Canning Town workers outside the Docklands Study area

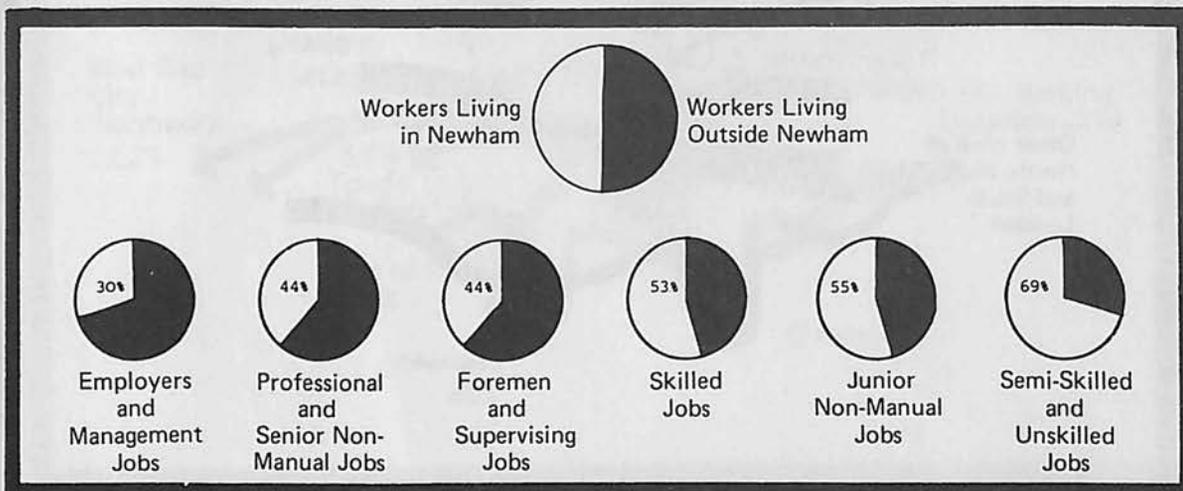


Fig. 13
Higher % of lower paid jobs filled by Newham residents

Source:
1966 Census

Fig. 14
Better paid jobs in
Newham taken by
people living
elsewhere

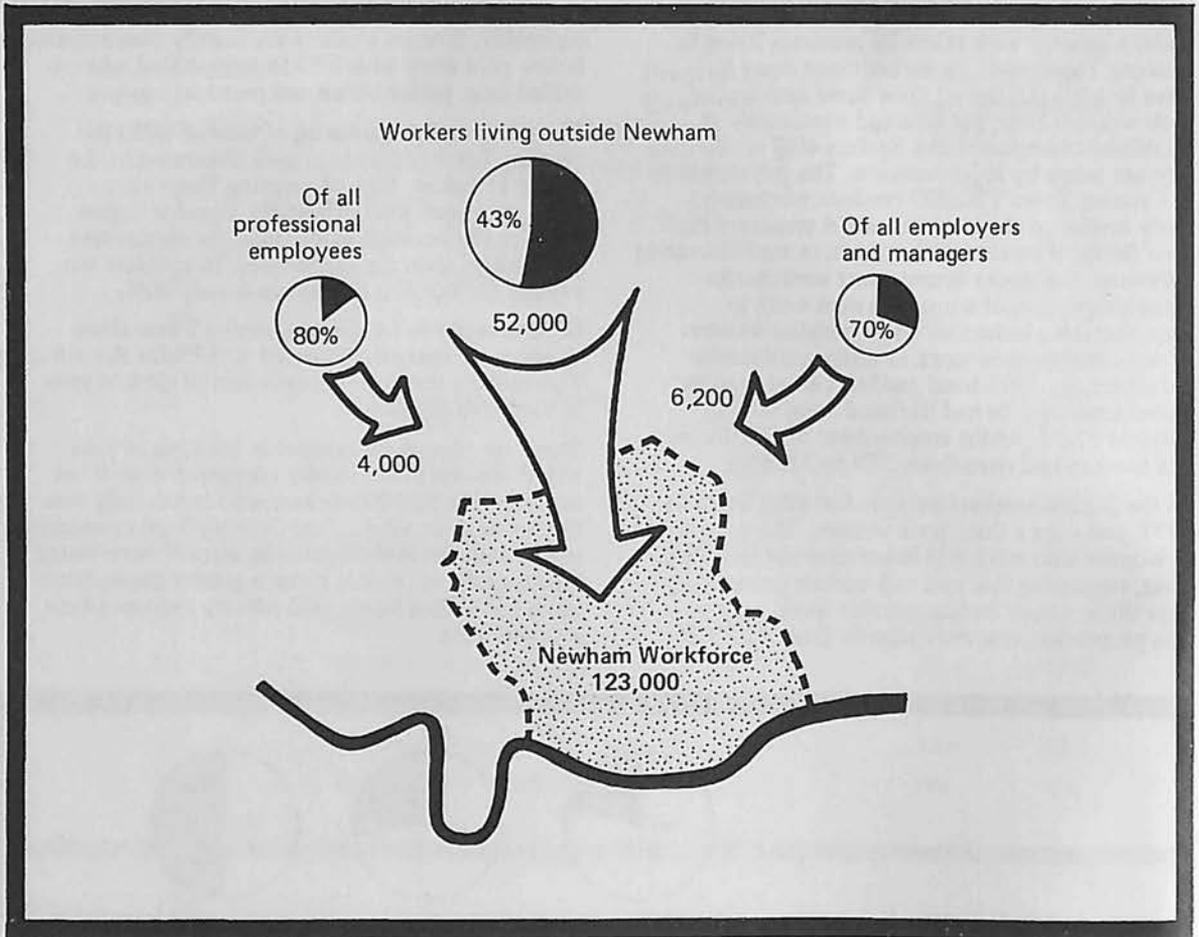
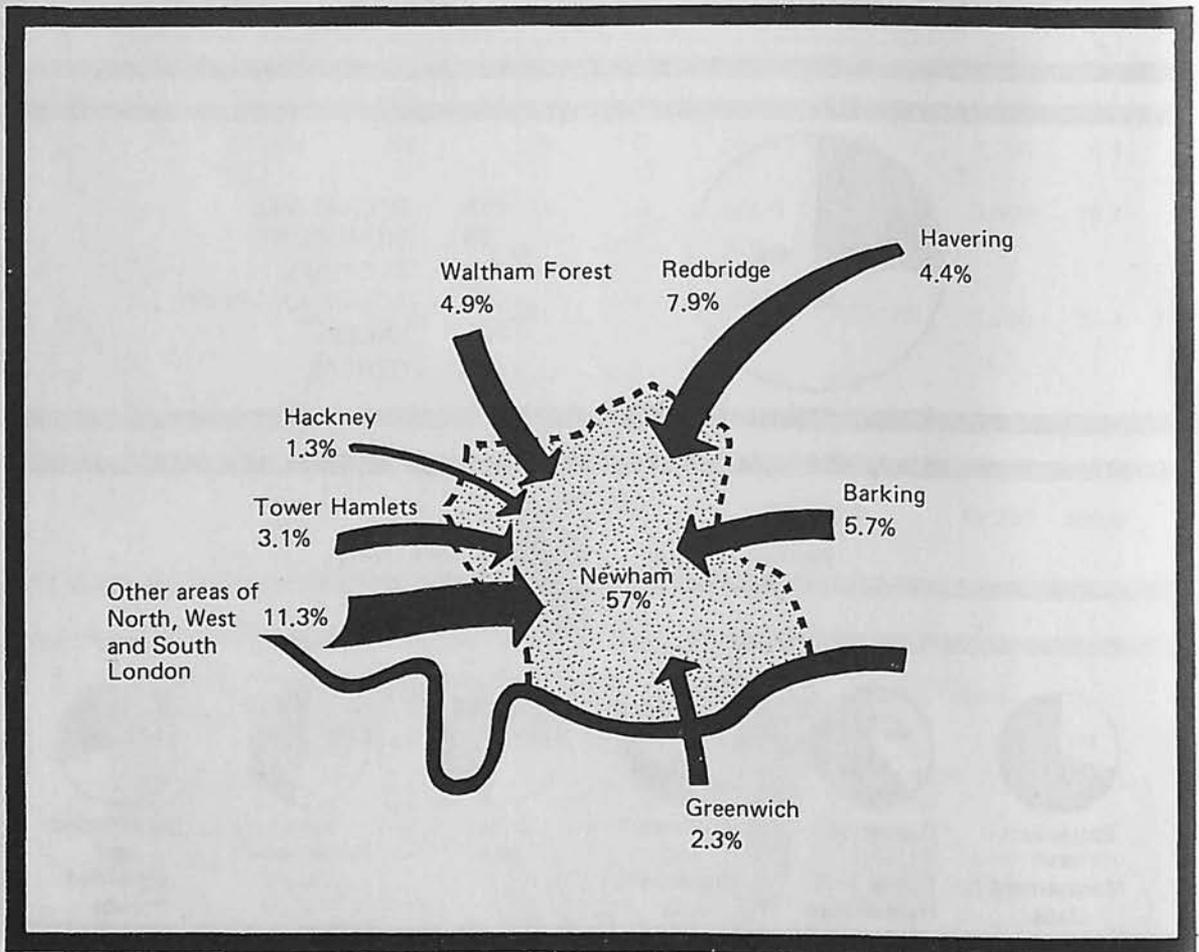


Fig. 15
Where Newham
workers live



The better paid 'plum' jobs in managerial and professional skills are dominated by people who live outside the Borough and travel into the area daily.

Of those who travel into the Borough to work, three quarters live in a neighbouring Borough and only 11% come from farther afield. This pattern reflects the movement of people, particularly the young and skilled, out of the Borough since the war for housing reasons.

Canning Town grew because of the docks and industry. As a result the link between local resident workers and the local workplace has traditionally been very strong. In 1966 half of Canning Town residents worked in local industry.

In 1966 only just over a third travelled a substantial distance to work. The drastic decline in local jobs since then means many people now travel further afield to work. Whereas in 1966, 30% of the Canning

Town people walked to work and a further 15% cycled, in 1971 this had dropped to 19% and 3% respectively and many more took a bus journey elsewhere.

These various figures describe a highly integrated neighbourhood, where for three or four generations, people have lived and worked in the same locality. There are few, if any, similar areas anywhere else in London, outside the East End where the pattern of living and working in one place still pervades. In this respect Canning Town is more characteristic of towns like Batley or Tynemouth. The transport facilities reflect the fact. Unlike other parts of London, with quick and frequent overground or underground transport from the dormitory suburbs to the city centre, Canning Town is comparatively cut off from the City and the rest of London.

In 1971, still only a third of households had use of a car compared to well over a half in outer areas of

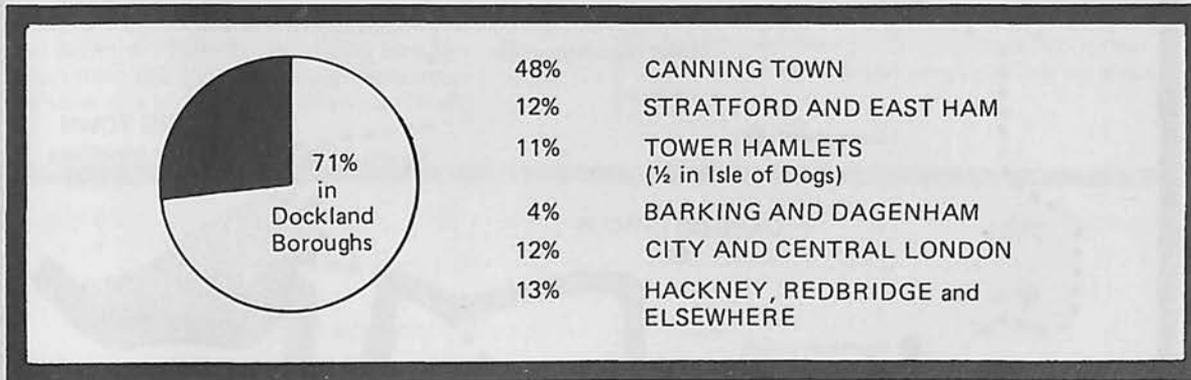


Fig. 16
Canning Town residents — place of work 1966

Source:
1966 Census

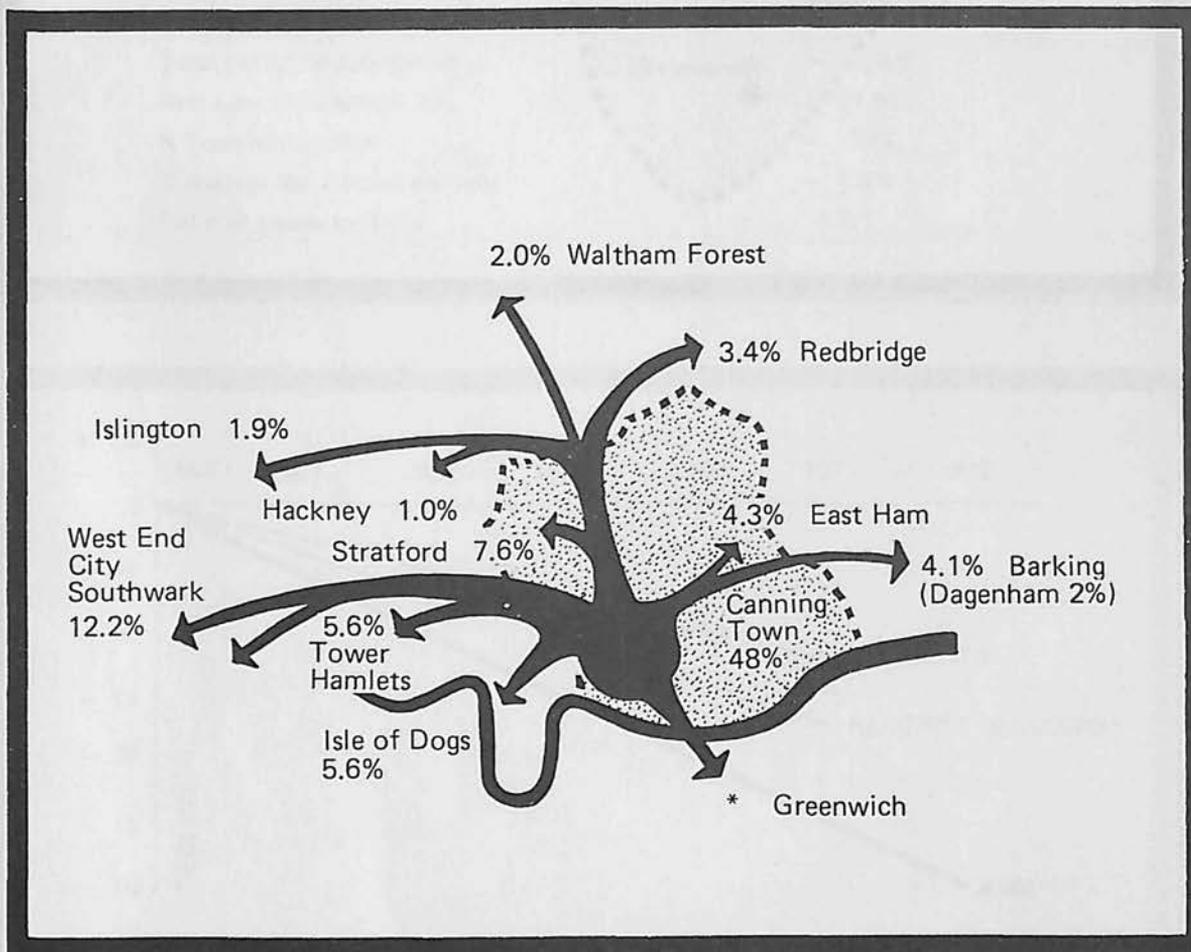


Fig. 17
Residents of Canning Town who work outside the area, 1966

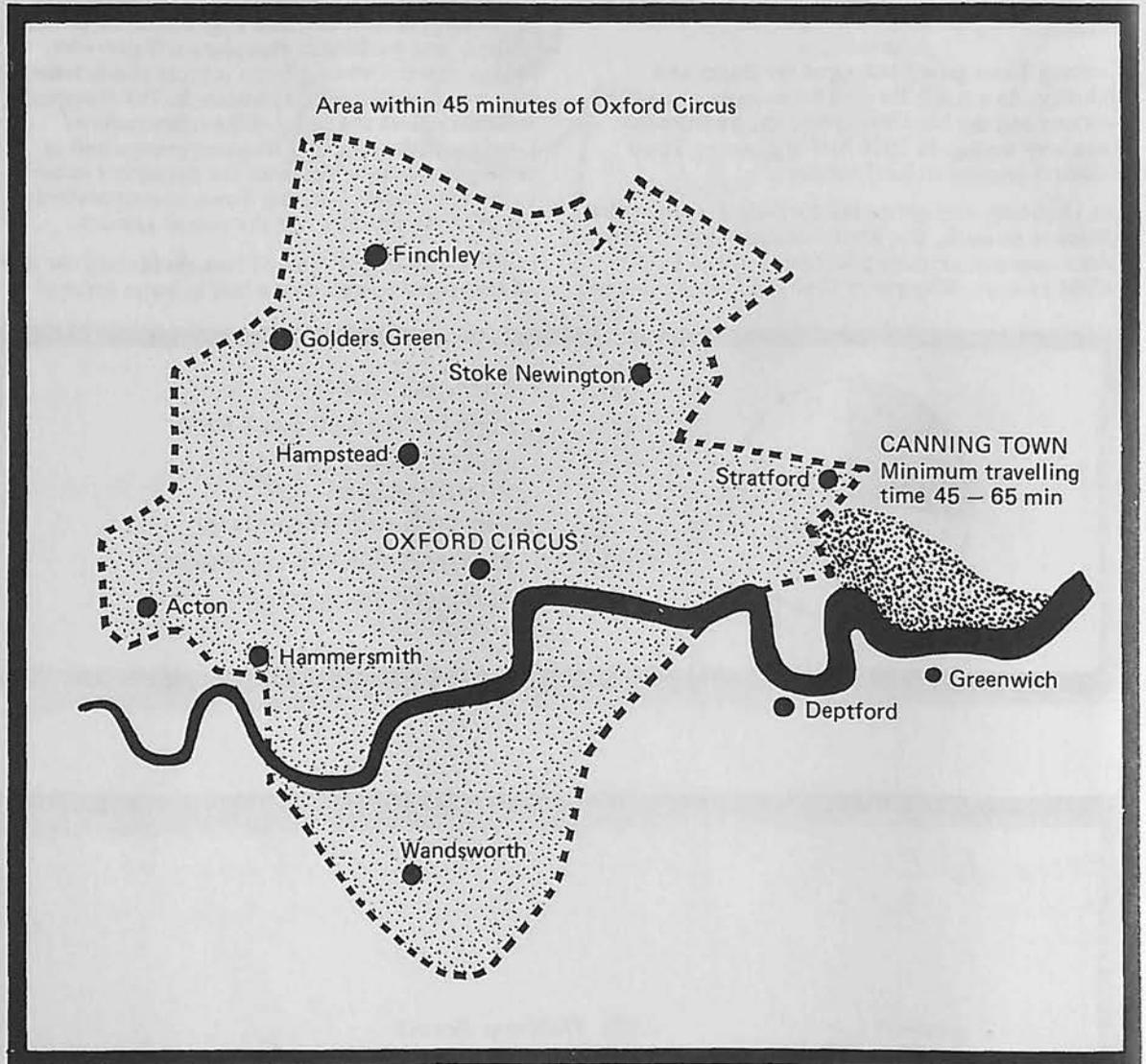
Source:
1966 Census
Note:
* Greenwich and other boroughs account for 4.5%.

London. With the decline of local employment, local people have to travel out of the Borough by inadequate public transport. The same situation applies to reaching other services and facilities which are not available locally. The plan below illustrates the

difficulty for most people of travelling North and West from Canning Town.

Even then the figures do not reflect the unreliability of bus services, the lack of a bus link to West Ham Station and the early closure of the Stratford rail link.

Fig. 18
Inadequacy of public transport



Source:
GLC survey 1971-74

CANNING TOWN: Industrial change (1966-72)

Over the period 1966-72 there was a loss of 17,800 manual jobs in Canning Town; that is a gross loss of 2,900 jobs per year. At the same time new firms have only contributed an average of 1,000 new jobs per year so the end result has been a net loss of 30%. The ratio of job losses to new jobs was 3:1.

The rate at which jobs have been lost is twice the rate at which workers resident in Canning Town left the area between 1966-71, indicating how the common assumption that jobs and people have moved out at the same rate is quite false. Between 1966-71 the

population fell by 14% and working residents by 18%. By adjusting for the temporary high losses due to housing clearance the discrepancy between jobs lost and jobs wanted by local people becomes even higher. It is the older workers who remain as it is primarily the young and the skilled who have left. The proportion of skilled workers dropped from 34% to 32% and semi-skilled at a slightly higher rate. Occupations which increased were predictably in office/service jobs from 10% to 12% and people setting up small businesses.

	1966	1972
Total Jobs	51,400	n/a
Total Industrial Jobs only * (1)	40,000	28,500
Industrial Jobs as a % of all jobs	78%	n/a
1966-1972		
Total Industrial Jobs lost	- 17,800	
Total Industrial Jobs gained	+ 6,300	
Nett Loss of Industrial Jobs	- 11,500	
% Total Net Decline	- 29%	
% Average Net Decline per year	- 4.8%	
Ratio of Losses to Gains	3:1	

Fig. 19
Salient features of
jobs in Canning
Town 1966-72

Source:
1966 Census Workplace
Tables D.E. Statistics
Note:
* (1) Industrial Jobs
are defined as SIC
Classes: manufacturing,
construction, public
utilities (gas and elec-
tricity), postal sorting,
the docks, warehousing,
road transport/distri-
bution services, n.b.
Passenger Transport
(tube, buses, railways)
and seamen are excluded.

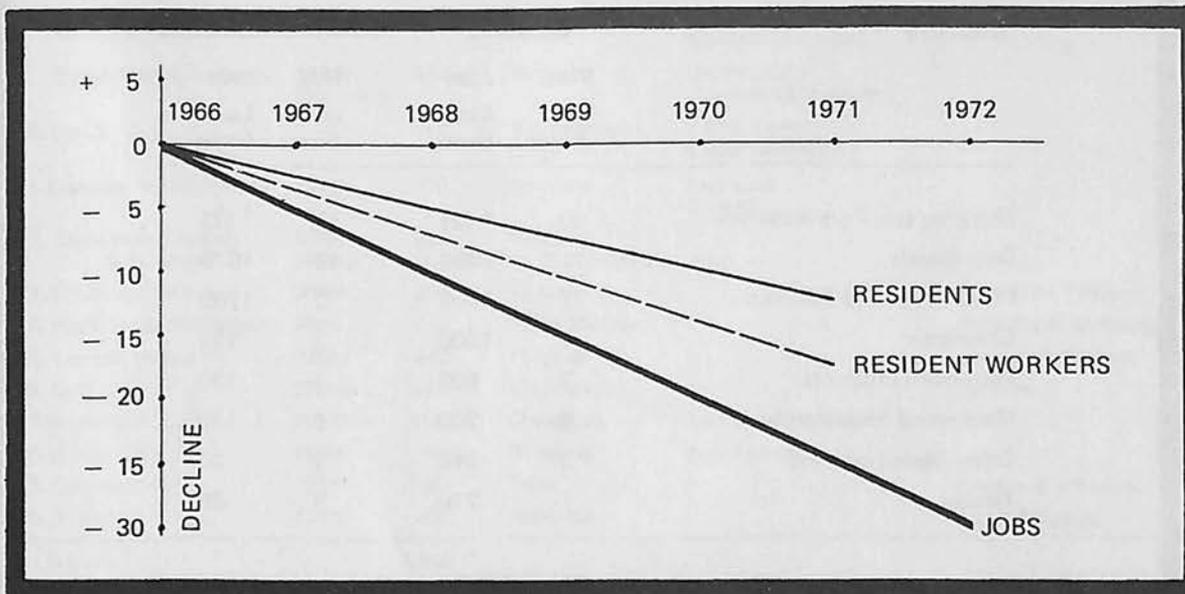


Fig. 20
Rate of change of
jobs 1966-72

Source:
1966 and 1971 Census
Department of
Employment Statistics

Between 1966-72, 76 firms have left Canning Town, 156 firms have stayed and 117 new firms have been established. These figures actually bear little relation to job losses, as most of the new firms are small employers. In addition, these figures obscure the processes that have been at work behind the scenes — a mixture of take-overs, asset-stripping operations, land speculation, large scale rationalisations and the availability of alternative investments elsewhere.

We need to know why some firms have left the area and why other firms have come in.

We need to know what type of firm is coming in and what job prospects they will be offering.

From this it will be possible to assess which of the firms here now are likely to leave, why they are leaving and what can be done about it.

Most of the industries in Canning Town have reduced their labour force since 1966. The sectors most affected have been ship repair, chemicals and petroleum and general shipping and port activities. The following table tells the tale.

Not only have jobs been lost through closure but also a very substantial proportion are due to rationalisations within existing firms such as Tate & Lyle.

Over the six years 1966-72 just six companies, all of them giant multi-nationals have been responsible for 75% of the losses. The main firms involved are listed below.

Companies which are closing down subsidiaries in Canning Town are not unprofitable. They are planning ahead on a long term perspective with a view to finding better rates of profit elsewhere. Aging plant means the costs of production are higher than could be achieved in modern and more automated factories and these can be more cheaply acquired in new towns. In some cases the release of a company's assets tied up in Canning Town, acts as a bonus which can finance the transfer to a new estate. Alternatively the return on capital may be raised by switching the use of the site from manufacturing to warehousing or property. Finally shifts in world trading patterns may lead to reinvestment overseas or undermine the original reasons for locating in Canning Town.

The closure of firms which are providing too low a return inevitably improves the company's overall performance. Unilever's returns improved with rationalisation of animal feeds which were not doing well at the end of the sixties. Shipping companies

Fig. 21
Industries experiencing heavy decline in jobs, 1966-72

Industry	Jobs Lost (net)	% decline within industry
Shipping and Port Activities	4360	- 42%
Ship Repair	3860	- 70%
Food Drink and Tobacco Manufacture	2260	- 30%
Chemicals	1570	- 68%
Petroleum	560	- 72%
Other Manufacturing	280	- 50%
Mechanical Engineering	260	- 38%

Sources:
1966 Census workplace tables, D.E. Statistics
Note:
Net job losses incorporates jobs gained within that industry

Fig. 22
Source of major job losses 1966-72

Industry	Closures		Rationalisations	
	Nos. of Firms	Jobs Lost Gross	Nos. of Firms	Jobs Lost Gross
Shipping and Port Activities	* (2)	* (2)	* (2)	* (2)
Ship Repair	11	2650	10	1670
Food Drink and Tobacco	7	1400	2	1700
Chemicals	7	1500	3	100
Petroleum Products	2	500	1	100
Mechanical Engineering	5	200	6	170
Other Manufacturing	3	340	2	20
Timber	7	210	3	20

Sources:
1966 Census and local sources.
Notes:
(1) Job losses are gross not net figures,
(2) The interlinked control of port activities makes it difficult to distinguish between closures and rationalisations.

such as P. & O. and Furness Withy which shed their ailing subsidiaries and reinvested in a diversified way, are now thriving — the only thing to decline is the jobs. In some cases firms which are profitable but not providing a sufficient return have been axed. The larger companies are more inclined to operate on a higher ratio of profit to capital employed. For example this ratio was 15.6% for Unilever, 11% for Courtaulds, whilst for a small private firm the acceptable margin would be half of this. Particular factors which lead up to an unfavourable policy decision for Canning Town vary by type of industry [and the relative importance of raw materials to labour and transport, the site potential and the ability to become more capital intensive and adopt labour free technical improvements. Each company or firm has its own individual equation of the financial implications of re-equipment, closure, or re-location; whether it is the giant Standard Telephones (I.T.T.) or a small metal works. Although at first sight the facts relating to the docks appear different to other industrial activities the reasons for change are principally the same, except that the relationship between the employer and the worker is more complex.

Whereas competition between companies makes machinery outdated it is the competition between shipping merchants and shipowners which makes harbour facilities redundant.

In Canning Town more than 5,000 jobs alone are vulnerable to the decisions taken by just two companies, I.T.T. and Tate & Lyle, who have major subsidiary interests in the area. Two other companies Unilever and Peninsular & Oriental (P. & O.) have already been responsible for major rationalisations and closures. These four companies are included as case studies which provide some insight into the management decisions of some of Britain's major companies and their policies towards old industrial neighbourhoods like Canning Town. Case studies on Tate & Lyle and Standard Telephones (I.T.T.) are dealt with in greater length in the report 'Jobs in Jeopardy'* (1974) and a short summary drawn from this source provides the basis of these two case studies in this report.

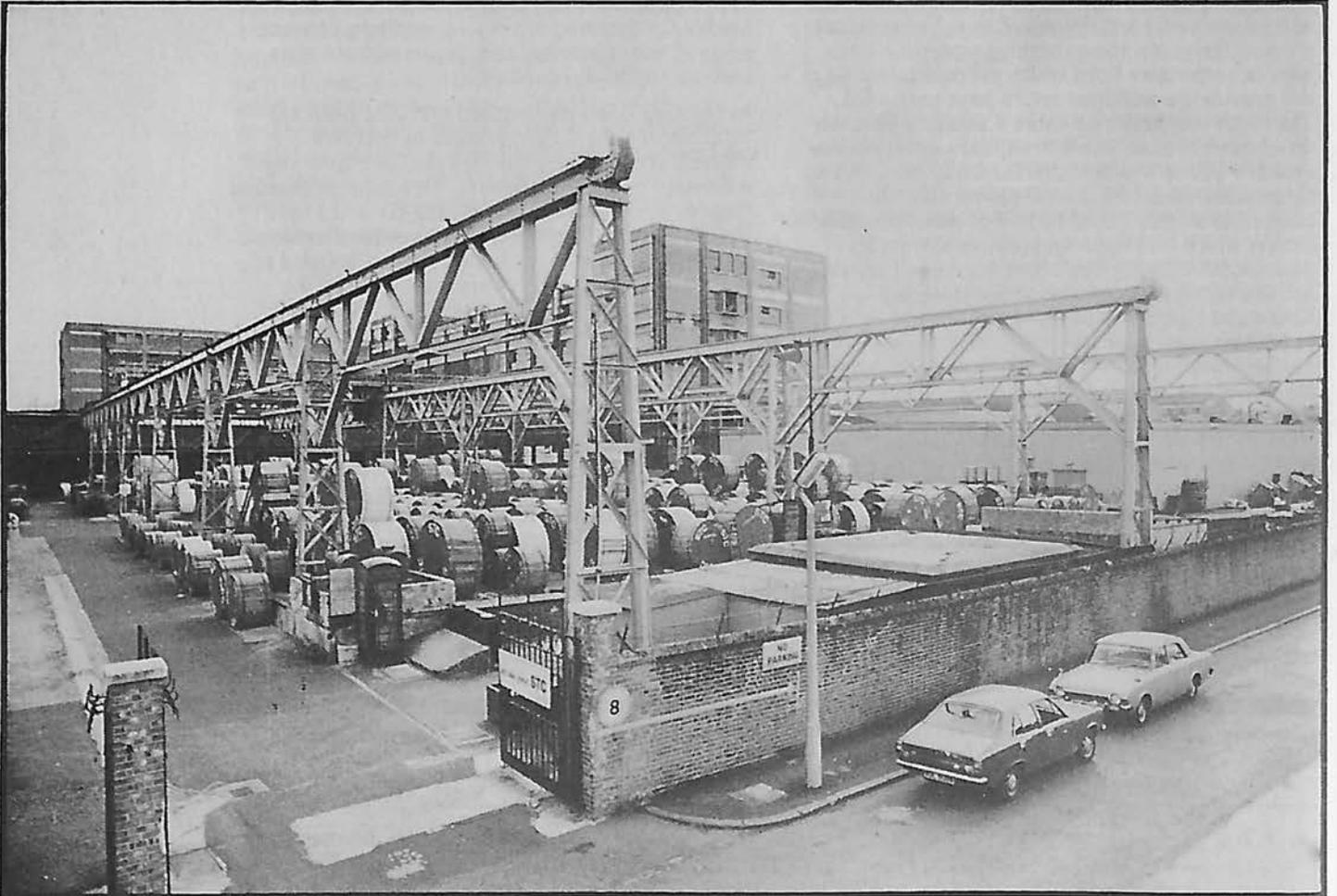
* 'Jobs in Jeopardy' 1974. Report to the National Community Development Project.

Company	National Rank x Turnover	Job Losses Nos.	Activities	Firms Closed	Firms Rationalised
1. P. & O.	63rd	4,000	Stevedores Ship Repair " " Ship Stores	New Zealand Shipping Co.	British India Steam Nav. Green Siley Weir London Scaling J. Kirkaldy Duncan Wallet
2. Tate & Lyle	35th	2,400	Sugar Refining Shipping Services " Road Haulage	Pearce Transport	Plaistow Wharf Silvertown Services Sugar Line Tate & Lyle Transport
3. Unilever	5th	1,500	Glue/Soap Animal Feed "	John Knight Ltd. Silcocks B.O.C.M.	
4. Harland & Wolff	366th	1,460	Ship Repair	Harland & Wolff	
5. Furness Withy	144th	1,410	Stevedores " "	Southern Stevedores Royal Mail Lines (Thames Stevedores)	
6. Vestey	(See No. 6)	1,200	Stevedores/ Shipping "	Thames Stevedores Blue Star Line	
7. Rowntrees Mackintosh	110th	370	Confectionery	Whitefields	
8. Ellerman Lines	273rd	340	Ship Repair "	J. Russell Cambell Isherwood	
9. British Commonwealth	198th (See No.5)	340	Shipping	Union Castle (Southern Stevedores)	
10. C.W.S.	—	340	Animal Feed Flour	C.W.S. Compound Co-op Wholesale	
11. Trafalgar House Invest.	117th	320	Shipping "	Port Line Cunard	
12. Jeyes (now Cadbury Schweppes)	576th (45th)	280	Sanitary Compounds	Jeyes	
13. B.T.R. Leyland	260th	250	Rubber		Silvertown Rubber
14. Rank Hovis McDougall	28th	170	Flour Milling		Rank Hovis McDougall
15. Lamson Industries	206th	160	Printing		Lamson & Paragon
16. Gulf Oil	282nd	110	Oil Storage		Gulf Oil
17. Steetley R.T.Z.	201/21st	100	Chemicals	Berk Spencer Acids	
18. Ocean S/S	167th	90	Shipping	Blue Funnel	
19. Courtaulds	28th	90	Paint		Pinchin & Johnson
20. T. Ward	179th	80	Asbestos		Dicks Asbestos
Total		13,100			

Fig. 23
Companies responsible for job losses in Canning Town 1966-72. (Numbers 1-6 account for 75%)

Source:
Local Sources 1972

Note:
Berks have offset job losses by expanding at Stratford. The fact remains that closures marked the end of industrial re-investment in Silvertown.



STC (ITT) Employed 2,200 in 1972 – now closed.
Virtually empty engine shed, Green Siley Weir (P & O)



Robert Golden

Case study 1

Standard Telephones (I.T.T.)

Standard Telephones is part of the giant American I.T.T. company and employs 25,000 people in Britain. Just over 2,000 are based at the complex at Henley Road, which houses two divisions of the company's operations. One produces paper insulated telephone cable (annual turnover £10 million), the other produces amplifiers which are spliced into submarine cables (annual turnover £4 - £5 million). In recent years work has been moved from Henley Road to other locations particularly to Basildon new town. A 'shadow' cable factory also exists at Newport, Mon. Over the last five years difficulties in the supply of labour have led to investment in more automated plant. Employment has declined at 2% a year.

INVESTMENT TRENDS

Standard Telephones now intend to cease manufacture of cables at their Greenwich factory and this will be transferred to Southampton. At the same time production of repeaters at Henley Road, employing 100 people, will finish and be transferred to a new factory on the vacated Greenwich site. It is unlikely that jobs will be found for those made redundant at Henley Road at the Greenwich works. There are also no plans as to what will take place on the vacated space at Henley Road. Although it is estimated that the output of cables on the remainder of the site will remain static, re-investment is to be lower than in recent years and there are doubts as to the long term future of the whole site.

FUTURE EMPLOYMENT PROSPECTS

Standard Telephones have recently been awarded a major contract to supply the Post Office with a semi-electronic telephone exchange system (TXE 4) which will involve

work similar to that going on in the repeater division at Henley Road. Despite the fact that jobs in repeater production are to be lost from Henley Road there are no plans to site a TXE 4 factory at Henley Road. Yet the printed circuits required can be made in different locations and brought together for assembly which allows manufacture to be spread over a number of locations in factories with a maximum of 200 employees - Standard Telephones are exploring possible locations but are apparently not interested in either Development Areas or New Towns where, in the case of the latter, they sense there is considerable competition for labour.

IMPLICATIONS FOR CANNING TOWN

Although poor communications, lack of facilities and poor environment inhibiting recruitment are quoted as handicaps to re-investing in the Henley Road site, there is every reason to suggest there are strong factors in favour of re-investment at Henley Road. The people already involved in repeater production are already experienced and skilled in the kind of electronics assembly and conditions required. Secondly, the low female activity rates in the area suggest there are reserves of labour. In the south-east, both can be seen as a recognisable advantage. 25% of employment in telecommunications is in the region and pressure for female labour is acute. The telecommunications industry is still an important growth industry whose location in the Canning Town area would be of considerable benefit to future employment prospects.

Source: 'Jobs in Jeopardy' - Report to the National Community Development Project 1974.

Case study 2

Tate & Lyle

Tate & Lyle employ 3,000 people in the Canning Town area. The Thames Refinery in Silvertown is the largest sugar refining plant in Britain. It produces over half the company's production and 31% of all the sugar produced in this country. Tate & Lyle have substantially reduced their operations in Canning Town over the last twenty years with 2,400 jobs being phased out since the mid-sixties through natural wastage. Only 20% of its profits now come from British sugar refining and it has expanded into other activities particularly transport. The company has also sought major interest in the French sugar beet industry but was prevented from taking a controlling interest in Raffineres et Suceries Say.

SUBSIDIARIES OF TATE & LYLE IN CANNING TOWN

Thames Refinery	Sugar/Refining
Plaistow Refinery	Sugar/Syrup
Sugar Lines	Shipping
Silvertown Services	Tugs
Tate & Lyle Transport	Road Haulage
Silver Roadways	Road Haulage
Clyde Wharf	Container Repairs

The sugar industry is a fluid situation with the position changing daily. The growth of sugar beet in Europe and its political implications for E.E.C. membership, together with the huge changes in the price of sugar cane, have recently led to a drying up of supplies to this country. Tate & Lyle's cane refineries are not suited for beet and the question posed for over a year is whether this may result in closure of their Silvertown or Liverpool refineries. In either case the social implications of closure for their local communities are enormous. The sugar industry is in need of a major re-organisation and a government continuation of the 3,000 jobs currently dependent upon Tate & Lyle's investment in the Canning Town area. At the present time no coherent national sugar policy exists which takes into account the social and economic considerations of the communities within which refineries are located.

Source - 'Jobs in Jeopardy' - Report to the National Community Development Project 1974 and local sources.

Case study 3

Unilever . BOCM . Silcocks

In 1966 Unilever controlled four major sites in Canning Town – two in animal feed production, Silcocks and British Oil & Cake Mills (B.O.C.M.) one manufacturing glue and soap (John Knights) and one refining edible oils (Van den Burgh & Jergens) – only the latter will still be in production by the end of 1974. The factors relevant to the closure of one of these firms – B.O.C.M. Silcock animal feeds are outlined below.

GENERAL POLICY

The Union Mills along the Tidal Basin frontage of the Thames, was established in 1935 and soon became part of the giant Unilever combine. B.O.C.M.–Silcocks is part of a re-groupment of weaker profit earners within the combine, this being part of a change in the managerial structure from geographical to product control – control geared to penetrating the European market which accounts for just two thirds of Unilever sales. The situation of B.O.C.M.–Silcock in Canning Town must be related to the position of animal feeds within this combine. After the war there was a big expansion in animal feeds reaching a peak in 1958. Since the mid 1960s the port based animal feeds industry has been losing out heavily to competitors based at smaller scale country mills. In 1971 animal feeds showed an operating profit of 0.5% and was easily the lowest profit margin for all the sectors within Unilever. Since animal feeds showed the lowest profit margin it was obviously vulnerable to considerable change. The policy since the middle/late 1960s has been the closure and re-location of production from the London area to six country mills across Southern England at places like Guildford and Bury St. Edmunds. This policy has not yet been applied to Liverpool or Avonmouth.

The factors which shaped this move away from a traditional location were primarily:

- (a) the revolution in methods of distribution and storage which resulted in bulk tankers and storage.
- (b) the fall off in profit margins which have resulted from both the increase in marginal costs such as transport and from the more significant rise in the cost of formerly cheap imported goods and the consequent shift to home grown produce.

The industry has been traditionally located at the point of assembly of bulk raw materials. The increasing reliance on home grown grain and the need to modernise plant has placed these traditional locations at a cost disadvantage to inland locations within a short haul of both materials and markets. One option was to restructure the site as one of the new mills in addition to the opportunity to concentrate activity at one site to achieve economies of scale. These alternatives were rejected in favour of the chosen policy of re-location and decentralisation.

COMMENTS ON A CANNING TOWN LOCATION

The major cost of production of animal feeds is the cost of materials which constitute approximately 85%. These are followed by the costs of assembly and distribution, then labour and even more marginal factors such as rates. The following comments were made on each locational factor by management.

- (a) **Labour**
No shortage, a fairly low turnover and a familiarity with the semi-skilled and unskilled work required were indicated. Wage levels were somewhat inflated by the location but national scales broadly set the levels. The intention to be consistent (ie. not rock the boat) with local scales at the new country mills suggests that labour costs will be lower, although this was disputed as being of any importance.
The workforce was seen to reflect the area's unionised character. This was stated as being no problem, although the introduction of automated methods had been seen as a potential source of conflict. However, the closure decision has not brought any active response from the workforce. There was some concern

lest the workforce ran down more quickly than working arrangements required.

- (b) **Site Factors**
Rates of £90,000 were considered comparatively high but only an irritant in overall terms. The site (Union Mills) was developed in 1935 with the accompanying office block in the early 1960's. Simpler production processes are now available which require restructuring of the plant. It was considered too difficult to achieve this while keeping the plant going plus anticipated friction and difficulties with the workforce which would have to be reduced as a result of such automation. Finally the value of the site as an asset from which to fund capital developments elsewhere was recognised if only indirectly acknowledged. It was anticipated that the site would be sold just as the Silcock factory already has been to Augustus Barnett for wine storage.
- (c) **Accessibility and Transport Costs**
 1. Although considered reasonably accessible for the workforce the lack of facilities (shops etc) were considered a disadvantage in attracting female clerical staff.
 2. Only a small proportion of materials come through the docks and their possible closure was considered irrelevant. Transhipment from Tilbury and the Continent is direct from the river wharves. The reliance on home produced materials means that road and rail access is now more important, particularly the former. The congestion of access routes through London was considered to be very important.
 3. The consumers are farmers and distribution has been in a packaged form until the advent of bulk transporters and storage which now accounts for 70% of distribution. The former permitted a two way movement of goods while bulk transporters mean the returning vehicle is empty handed. This is a critical factor in the shift to country locations, which as a result of short journeys cut the costs significantly.

COMPARABILITY OF A CANNING TOWN LOCATION WITH COUNTRY MILLS

The economies of scale previously afforded by the plant; the fact that industrial inertia is no longer seen to be justified (as the capital cost and feasibility of replacement is out balanced by the savings and operational costs of a new location) and the potential value of the current site as a source of capital, all add up to an expedient re-location policy.

- (a) **Labour**
This will be cheaper given that levels will be consistent with the area and agricultural or light engineering levels.
- (b) **Site**
Cheaper land costs and rates; equivalent availability of space; new plant.
- (c) **Market**
Short hauls and therefore cost savings on bulk distribution.
- (d) **Materials**
Flexible access to both home grown materials and to bulk imported goods from the Common Market via unorganised East and South Coast ports such as Felixstowe. Tilbury would also still be used.

COULD CLOSURE HAVE BEEN AVOIDED?

Management saw no factors which would have been capable of avoiding the policy of closure. Industrial Development Certificates were not seen as difficult to get for established industries nor were new transport links seen as important.

Case study 4

Peninsular & Orient (P & O) – Green Silley Weir

P. & O. is currently the fifth largest employer in Canning Town, with 1,680 workers in shipping, stevedoring, transport and other port related activities. A third of these work for Green Silley Weir, a ship repair subsidiary in the Royal Docks. Most U.K. shipping lines including P. & O. itself have shifted the majority of their ships once using the Royal Docks to other ports. Jobs in ship repair on the Thames have declined very heavily from 12,000 in 1954 to less than 3,000 in 1973. A substantial proportion of this can be attributed to the closure of Harland & Wolff and the decline in the workforce at Green Silley Weir. The latter fell by 1,000 from 1,500 to 500 between 1966 – 1971 and further redundancies have taken place since. The future looks uncertain.

WHY HAS CANNING TOWN'S SHIP REPAIR INDUSTRY DECLINED?

Ship repair is a service trade from shipping ie. its size and location are basically determined by the policy of the various ship owners which in turn have been influenced by the following:

- (a) **The affects of Colonial Independence**
As colonies became independent they took control over their own transport links including shipping. As a result the British monopoly of certain runs was broken and the new lines switched ship repair particularly major servicing to the home country. Had the number of ships expanded the affects would not have been so notable but the number of ships declined due to the transformation of transport in the 1960s. The ships now using the Royals are predominantly owned by non-British companies.
- (b) **The Container Revolution**
This had the following effects –
– One container ship is equivalent to four cargo ships therefore the number of ships requiring servicing is reduced.
– Technical improvements in marine engineering means that whereas ships formerly required servicing two to three times a year eg. at the end of each Australian run, they now may only require a major overhaul once in 18 months to 2 years.
– There are more new ships as a result of a massive investment 10 years ago in container ships. Until ships are 6 to 7 years old they do not require substantial repair work and time conscious ship owners are now quick to scrap a ship losing money in port.
- (c) **Increased Safety**
The widespread use of radar and the decline in the incidence and danger of fog have reduced inshore hazards with a subsequent decline in accidents and repairs.
- (d) **The removal of the Passenger Trade**
At Tilbury the passenger trade of P. & O. was removed to Southampton in 1969 due to the cost – time advantage to P. & O. of the latter. The loss of this trade severely hit the ancillary activities included under ship repair. 1,000 redundancies occurred as a result.
- (e) **Understaffing**
The demand for repair work fluctuates, yet once requested it has to be carried out within hours (a day in port costs £3,000). This means maintaining a stable workforce capable of coping with large jobs, which is unprofitable if the fluctuation is too great. Under the pressure of falling profit margins within

ship repair the workforce has been cut to a point where excessive overtime is required to take on ordinary jobs and increasingly large jobs will be lost to ports such as Hamburg because it is known the facilities aren't available. The firm currently take on temporary workers for emergencies. No means of exchanging labour between Green Silley Weir and other companies to cope with extra large jobs has been promoted.

- (f) **The decline in certain trade links**
The reduction in imported Argentine beef resulting in only three ships a year (eg. 8 or 9 ships 10 years ago).
- (g) **Port Charges**
London's ship repair industry is classed as terminal repair facilities ie. the ships are repaired at their journey's end. This can be distinguished from the Tyne or Rotterdam where ship repair is an offshoot of shipbuilding. Similarly major new locations have developed such as Falmouth and Southampton. These ports lie along the North Sea route and as a result container ships can drop off for a short stay on their round trip of continental ports including Shoreham, Felixstowe, Yarmouth before going deep sea. Time and cost are cut to the minimum, underlining the cost advantage of directshore access as compared to that of the enclosed docks. In the case of London two extra days travelling are required plus four pilots, tugs, locks etc., which result in higher charges. The extra costs of road transport from these peripheral ports is carried by the community and to its disadvantage.

THE CONSEQUENCE OF THE DECLINE IN SHIP REPAIR

- (a) **Labour**
The joiners, structural workers, fitters, coppersmiths can possibly transfer to construction and other land based industries if jobs are available. The problem rests with boilermakers and shipwrights. The former constitute one third of the workforce. Shipwrights are still to a large extent a casualised workforce and can constitute three quarters of the unemployed in ship repair. The industry are the small firms which are linked to it is the areas's main source of skilled engineering work. The industry used to employ well over 200 apprentices and this is now drastically reduced to 20 indicating how opportunities to train in the trades have dried up.
- (b) **General effects**
The chain effect of decline on the community are well illustrated by the example of a cafe at the dock gate which changed hands for £10,000. in 1949. This cafe is now in disrepair.
- (c) **The Future**
The only prospects for future ship repair upstream lie in the profitable leisure trade but only creating a fraction of the jobs. A profitable and stable ship repair industry downstream would be based at Tilbury and beyond may exist in future years but the numbers employed would not rise above the current level of 2,000 to 2,500.

COULD DECLINE HAVE BEEN AVOIDED?

The answer to this question lies in an evaluation of the policy of ship owners. Only actions by the government to constrain the re-location policies of such companies as P. & O. could have prevented the scale of current decline.

Reasons for Closure

These four case studies, Unilever (B.O.C.M.), P. & O. (Green & Silley Weir), Tate & Lyle and I.T.T. (Standard Telephones) provide the detailed background of how decisions in these big companies come to be made with little regard for their workers and the communities in which they live. The general reasons why firms are leaving Canning Town can be summarised under the following headings:

1. **Land Values:**

A major factor is the ever rising value of industrial land in the area at £100,000., an acre due in part to the speculative consequences of the recent Government sponsored Docklands Study. The release of such assets can if necessary, finance re-location for those firms wanting to re-locate and the resulting rise in land values prices out most replacement activities except storage and distribution.

2. **High Rents:**

The opportunity to buy or rent the sites elsewhere at 20% of the current (1972) cost of £2.00 per sq. ft. (rent and rates) in Canning Town, in areas outside London but still in the south-east.

3. **Government Grants and subsidies at other locations:**

The possibility of collecting government grants for development area location but more pertinently the advantage of indirectly subsidised sites and factories, which are purpose built, in new and expanding towns just outside London.

4. **Wage Rates:**

The advantage of lower wage rates outside London, away from the influence of the docks and Fords, in towns such as Thetford to which Jeyes re-located. Such towns have too few job opportunities for their expanding population, particularly for women. (Although this is not always the case). As a result apart from skilled key workers who are asked to move and demand London rates, local labour provides a stable cheap labour force.

5. **Unionised Workforce:**

The advantages through re-location of the trouble free introduction of more profitable new automated methods without the threat of strikes of a more unionised labour force interrupting production to negotiate better redundancy agreements.

6. **Limited Obligations:**

The marginal expense of redundancy payments which is also subsidised anyway by the government. Even dockers severance pay bears no proportion to the loss of earnings or to the gains that will have accrued to the docks as a result of redevelopment. As mentioned earlier ship owners have no direct liability to dock-workers.

7. **Property Investment:**

The attraction of low cost property investment to industrial freeholders such as W.W. Howard and to incoming property companies such as Gredley Estates.

8. **Alternative Investments:**

The ease with major companies can buy into and switch investments eg. Tate & Lyle and Sucrieries Say, thus safeguarding their interests.

9. **Industrial Linkages:**

The difficulty of survival for small firms when the companies upon which their business depends close down. The ripple effect of the run down of ship repair upon small engineering firms is a notable example.

10. **Containerisation:**

The impact of containerisation in the mid 1960's is a central factor. Its progress was much faster and more extensive than anticipated. It is obviously central to the decline of shipping, the docks and ship repair, but the containerisation of road haulage and the introduction of bulk transport altered the potential cost structure of industrial processes such as animal feed production, and softwood storage which became too expensive for interim storage as the result of door to door deliveries.

11. **Shortage of Skilled Workers:**

As a result of government policies encouraging both firms and workers to move away there has been a disproportionate loss of the more skilled workers. The absence of a co-ordinated industrial policy means that there is a shortage of skilled workers amidst high unemployment locally.

12. **Changing Source of Raw Materials:**

The changes in the source of raw materials and the relative fall off in our dependence upon imported North American wheat together with a rise in home production reinforced the declining dependence of traditional port industries of a location adjacent to the river or docks and has led to re-location of eg. animal feed production to small country mills.

13. **Compulsory Purchase:**

If a firm is forced to re-locate through housing redevelopment, if it is not unduly tied to the area the only justification for remaining in the area, often is the desire not to lose a satisfactory workforce, which would be difficult to replace. Local authority sites are offered but these are few in number and suitable only for small industries. In choosing a better site elsewhere in London (eg. Hobel Engineering) or opting for the advantages of a New Town, a firm may ensure a better return for the expenditure incurred, regardless of compensation which removal may involve.

14. **Old Sites and the need to expand:**

Some medium sized firms such as the plastic firms of B.T.R. Industries, may soon need to expand. Without access to land to expand adjacent to their existing premises, the need to move could arise. Faced with the cost of land locally, a move away from the area would be inevitable. The basic disadvantages of an old site are the construction of buildings unsuited for modern production methods and the lack of yard space for manoeuvring and unloading and employee car parking. Re-equipment on site is always possible but firms complain that this would inevitably lead to loss of production.

15. **General Complaints – Public Transport – the Environment – Rates:**

The inadequacy of public transport, the lack of shopping facilities and places to relax and entertain, the decaying environment are constant complaints. Long delays travelling to and from the area are repeatedly emphasised making it difficult to attract clerical staff. Finally, high rates were an irritant to some, a

burden to others but high rates are a problem common to the old industrial areas of all our major cities.

New Firms

The industries that have moved in to take the place of the old ones are apparently varied but in fact the bulk of new industry is largely interested in storage space — and possibly in certain cases longer term land speculation. (See fig 24)

The type of firm which is moving in is illustrated in figure 25

The only large new employer is the G.P.O. Postal Sorting Office who alone accounted for nearly a quarter of the new jobs, although many were taken by workers from original sorting office in Islington. The new forms seem mostly to be operating with

existing buildings and many on a relatively short-term basis. Their movement into the area is not accompanied by any large scale capital investment or is comparatively restricted even in new developments such as the Thameside Industrial Estate. In some cases, such as the former premises of Silcocks (Unilever) the existing buildings are simply being used for warehousing — in this case by Augustus Barnett for wine storage. Some of the premises of new firms are rented from the original owners, who in retaining a freehold interest in their property retain an interest in its rising land value.

The information available points to one clear conclusion — in Canning Town, capital is on the move. Finance is leaving the area, moving to more profitable venues leaving behind a legacy of buildings and people for whom it assumes no responsibility.

Activity	New firms		Growth within existing firms	Jobs lost within the industry
	Nos of Firms	Jobs	Jobs	Jobs
Postal Sorting Office	1	1200	*	*
Road Haulage	16	1000	60	- 550
Wholesale Distribution	25	630	100	-350
Food Drink and Tobacco	13	480	350	-3080
Clothing	11	410	*	- 150
Transport Services	14	300	*	*
Timber	7	160	160	- 230
Mechanical Engineering	6	90	*	- 370
Chemicals —	3	80	*	-1620
Total all Industries	+ 117	5000	1300	-17,800

Fig. 24
Growth of new jobs in Canning Town 1966-72

Sources:
1966 Census and local sources.
Notes:
* Minimal

Activity	Firms	Jobs
Road Haulage	Fyffes Monroe	140
Frozen Foods	Reynolds Foods	less than 25
Tobacco Packers	Pritchard & Burton	60
Transport Services	Keuhne & Nagel	less than 25

Fig. 25
Growth of new firms in Canning Town 1966-72 (Typical examples)

Source:
Local Sources 1972

CANNING TOWN: Industrial land control

The control of the land is a crucial element in determining the pattern of job changes in Canning Town over the next decade. The 1973 G.L.C./D.O.E. sponsored Docklands Study envisaged that this belt of industrial land and the Beckton area, which together form half the study area, would be ripe for redevelopment over the next 10-15 years. Luxury riverside residential development was clearly envisaged as a possible replacement land use to that of refining industry and the Royal Docks in certain of their alternative suggestions.

Public bodies such as the Port of London or the Gas Corporation own the lions share of the land but the most immediately desirable and therefore most vulnerable land fronting the riverside is largely in the hands of the private companies controlling the majority of Canning Town jobs. These land assets will increasingly influence the policies adopted by such companies and the number of jobs remaining in Canning Town by 1980.

This basic pattern of land ownership shown in the plan stems from the earliest days of industrial development. The belt of land south of the Royal Docks is monopolised by the traditional port industries with each firm controlling substantial holdings stretching from Silvertown Way to the riverside. Through the 1920's and 1930's these firms came under the control of companies such as Unilever and with it went substantial strips of the riverside. With the exception of two small local authority sites and the G.L.C. Thames Barrier site the land is entirely in private hands.

The remaining marshlands of Beckton and the Lea

Valley are in the hands of the public utilities, the P.L.A. Gas Corporation, Electricity Board, Sewage Works.

The P.L.A. own 44% of the land and has the largest single share of the Silvertown Belt. Within the docks approximately 30 sites are leased to companies, although currently at least two very substantial structures, formerly occupied by Harland & Wolff and the C.W.S. flour mill, now lie vacant. The P.L.A. has also leased a further site as a leisure marina. To the north of the Albert Dock, land set aside for future extensions still lies largely unused. It is to this site and the adjoining Gas Corporation land that the Borough has directed its future plans for industry in Newham.

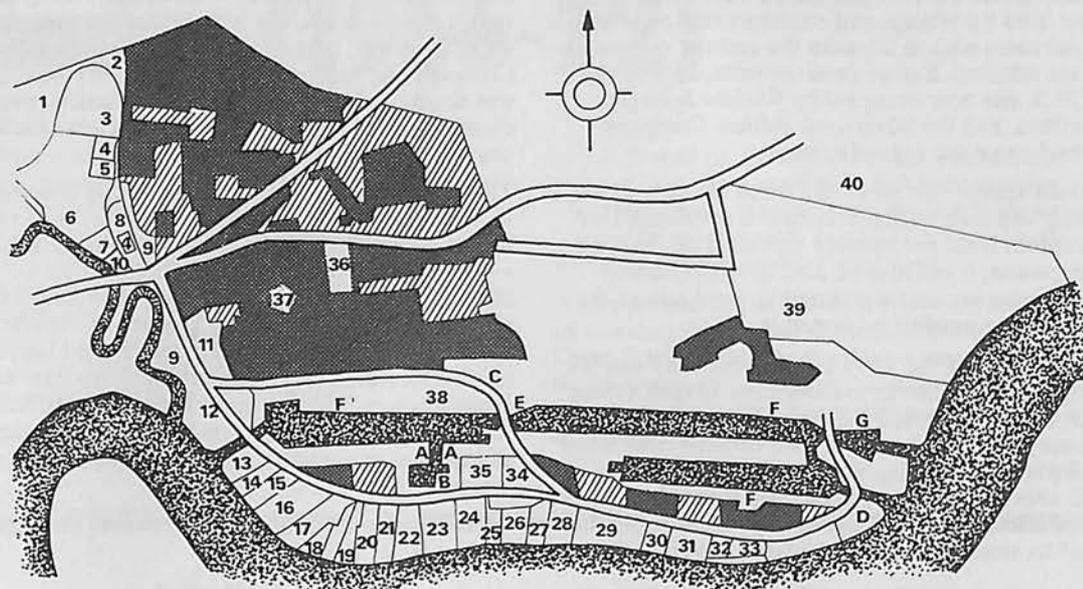
Away from the riverside and docks, light industry is also to be found throughout the residential area. South of the Beckton Road small but consolidated areas of industrial land exist in the Butchers Road and Tidal Basin area. The local authority also controls two areas of industrial land in the Stephenson Street and Peto Street areas which have accommodated some of the industries compulsorily purchased on the surrounding sites now owned and occupied by council redevelopments. To the north of the Beckton and Barking Road industrial concerns particularly printing and clothing works are to be found scattered throughout the terraced housing. The latter is predominantly in the hands of private landlords who control one or two street blocks and also own the land. In fact the housing was in many cases financed by the original farmers who descendants are the current landlords.

Fig. 26
Major land uses on
Silvertown - Beckton
industrial belt, 1972.

Activity	% of land
Port of London Royal Docks	44%
Sewage Works and Thames Barrier (G.L.C.)	19%
British Gas Corporation	17%
Private Ownership	15%
1. Food Processing (sugar, animal feed,)) edible oils.)	Most extensive land users
2. Unit Warehousing (Transport Services)) and Distribution.)	
3. Road Haulage.)	
4. Oil Storage.)	
5. Electrical Engineering (S.T.C.))	
6. Paint, Metal Foils, Scrap Metal.)	
British Rail	4%
Local Authority	1%
Total	100%

Source:
Dockland Study Table
4.02

Fig 27
Ownership
of land



Site	Firm	Land Ownership
1	Gas Board	Gas Board
2	Berks Chemicals	Stetley/RTZ
3	Overseas Mail Sorting Office	Post Office
4	Vacant (Ex Northern Ireland Trailers/ London Scaling)	P. & O. Co.
5	Greengate & Irwell	Slater Walker
6	Electricity Board	Electricity Board
7	George Cohen	George Cohen 600
8	Small firms – Many Vacant	Private & Council
9	Various	British Rail
10	Howard Hardwoods	W.W. Howard
11	Small Firms – Many Vacant	Private & Council
12	Part Vacant (ex Rye Arc)	Capital & Counties Property
13	Vacant (ex BOCM)	Unilever
14	International Watts Fincham	Courtaulds
15	International Pinchin & Johnson	Courtaulds
16	Part Vacant Tate & Lyle Plaistow Wharf	Tate & Lyle
17	Vacant (ex John Knights/Unilever)	Gredley Estates Property Co.
18	Esso/Shell – Part Vacant (ex Amoco)	Esso/Shell/ Amoco
19	Vacant (ex Buchanans Warehouse)	J. Finlay
20	Aluminium Foils	Transport Development Group
22	Gulf Oil	Gulf Oil
23	Augustus Barnett	Augustus Barnett
24	Vacant (ex Spencer Chapman & Printer Industries)	G.L.C. Thames Barrier Site
25	Thomas Ward	Thomas Ward
26	Unit Warehouses (ex C.W.S.)	Consortia
27	Crosse & Blackwell	Nestles
28	Thameside Industrial (ex Silvertown Rubber)	Consortia (incl. B.T.R.)
29	Thames Refinery	Tate & Lyle
30	Loders & Nucoline	Unilever
31	Standard Telephones	I.T.T.
32	Vacant (ex BIIC)	Gredley Estates
33	Vacant	British Rail
34	Vacant (ex Rye Arc)	–
35	Various	Private
36	Spyralynx and Blagden Noakes	Spyralynx/ Blagden Noakes
37	Part Vacant Lamson & Paragon	Lamson Industries
38	Royal Docks A, Spillers, Rank Hovis, McDougall Vacant (ex. CWS) B, Hollis C, Green Siley Weir D, Vacant (ex Harland & Wolff E, Victoria Dock: Part Vacant F, Various G, Boatex Marina	Port of London Authority
39	Vacant (Beckton Gas Works)	Gas Board
40	Sewage Works	G.L.C.

The last 5 years has witnessed the rising investment potential of land within Canning Town. This trend is reflected in the change affecting both the industrial use and ownership of land within the private sector.

Changes in ownership of substantial holdings have occurred in five cases and in three cases land has moved into the control of property companies. On these sites, and also where the firm has closed but re-let, the site is now used for storage and container related activities. In most cases such as Silcocks the costs of reconstruction are minimal. Earlier developments, such as the ex C.W.S. site now occupied by Keuhne & Nagle and others, and the Silvertown Rubber Company involved some site redevelopment.

It would appear that while the trend towards warehousing and distribution activities is encouraged by its freedom from government restraints on industrial development; it can also be used as a fairly cheap holding exercise, unit warehousing, until sale of the land becomes possible or desirable.

The setting up of the 1973 Docklands Study and its recommendations set in motion a rise in land values which in turn increased the attraction to companies of closing down and moving out. Vacated land is too expensive for incoming manufacturing uses. As a result sites lie vacant and seven major sites have been sold or leased for unit warehousing. In stripping the site of its assets and selling the land, the cost of re-

location and investment in newer technologies elsewhere can sometimes be largely covered. The substantial move into warehousing is illustrated below.

Mergers and takeovers have influenced the events leading up to the final closure of firms although the long standing incorporation of many firms into companies such as Unilever, plus the absence of the characteristic growth industries of the 1960s, has meant that such activity has not been on an extensive scale. However, in the case of the Silvertown Rubber Company the process of takeover by B.T.R. Leyland was clearly linked to that of rationalisation, part closure, sale of plant, loss of jobs and introduction of unit warehousing

The fact that 80% of the industrial land is owned by public corporations or local government does not of course mean that the use of land is subject to local or even public control. The giant public corporations like the Port of London Authority, the British Gas Corporation and British Rail operate in a market economy and this makes them just as avid land speculators as private property developers. In order to finance future developments, they will both hoard land and sell it to the highest bidder – the social needs of the local community do not feature in such transactions.

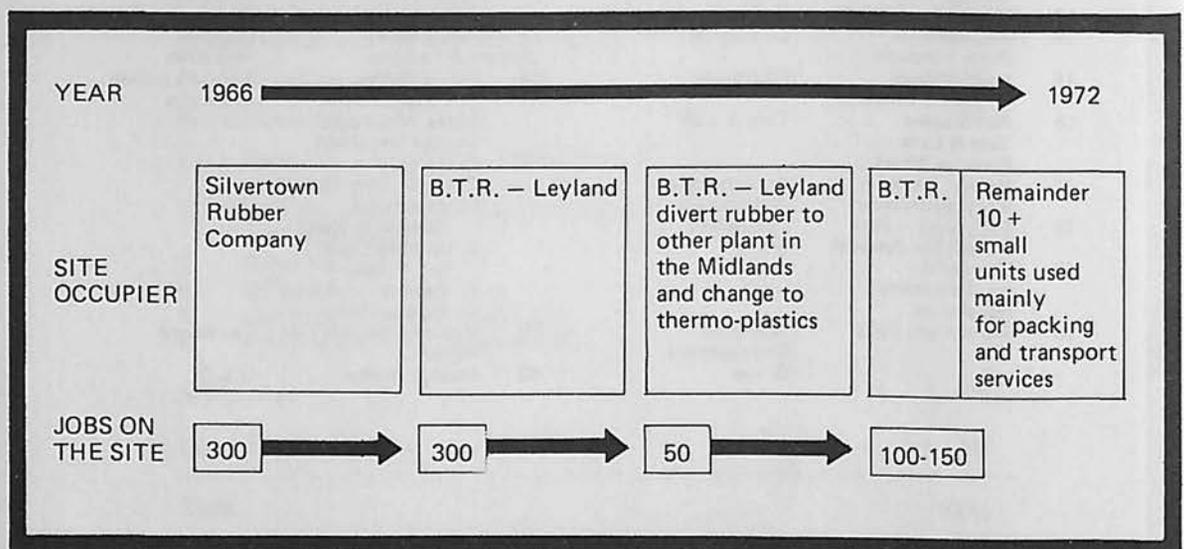
What then are the implications of these changes for the people of Canning Town?

Fig. 28
Change of use of major industrial sites in Canning Town, 1972

Site number	Previous owner	New activity	Net job loss
11	Rye & Arc Ship Repair	Unit Warehousing	- 340
13	Silcocks Animal Feeds (Unilever)	Warehousing/Wine Storage	- 210
16	John Knight (Unilever)	Unit Warehousing	- 880
19	Buchanan's (Tea) Warehouses	Vacant for Unit Warehousing	- 100
26	C.W.S. Animal Compounds	Unit Warehousing	n/a
28	Silvertown Rubber Co.	Unit Warehousing	- 150
33	Henley Cables (B.I.C.C.)	Unit Warehousing	n/a
A	Co-op Wholesale Flour Mills	Vacant	- 280
B	Harland & Wolf	Vacant	- 1500
C	P.L.A.	Leisure Marina	-

Source:
Local Sources 1972

Fig 29
Loss of jobs resulting from change in use of Silvertown's premises



Source:
Local Sources 1972

CANNING TOWN: Costs of Industrial change (1966-72)

The closure of firms, rationalisations, the increase of property values and the rise in storage and distributive trades, have each in their way helped companies, which existed in Canning Town in 1966 to increase their profits. At the same time the rise in land values represents a threat to maintaining industrial zonings and traditional land uses at a time when land values determine their use. This factor presents an underlying threat to the future of Canning Town as a viable neighbourhood for existing residents.

Unemployment levels in Canning Town have risen almost uninterruptedly since 1966, reaching a peak

of 1,620 men on the register at the beginning of 1972 and are now rising again to 1,100 in September 1974. The 1971 census also confirms that while few women register as unemployed, nearly 11.5% of women wanted a job but couldn't find work.

A comparison of the 8% male unemployment rates of Canning Town, with those of the south-east and Great Britain indicates the degree to which this, and similar communities like it, have carried the burden of industrial change, irrespective of the state of health of the national economy.

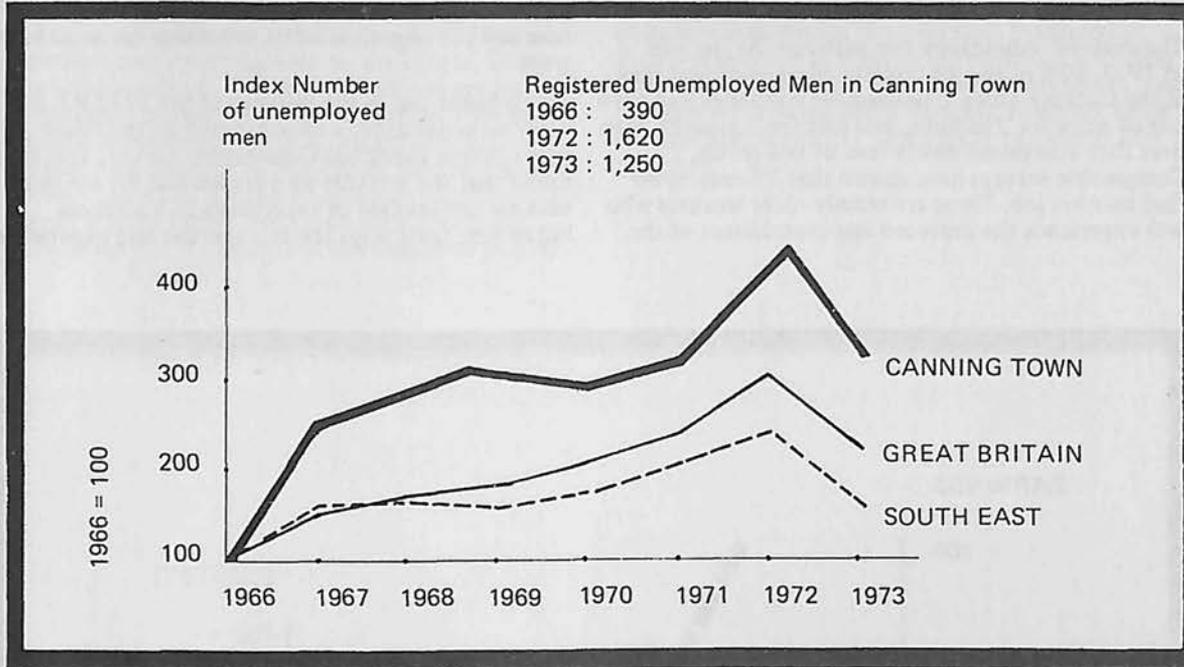


Fig. 30
Registered male
unemployment
1966-73

Source:
Department of
Employment Statistics
1966-73

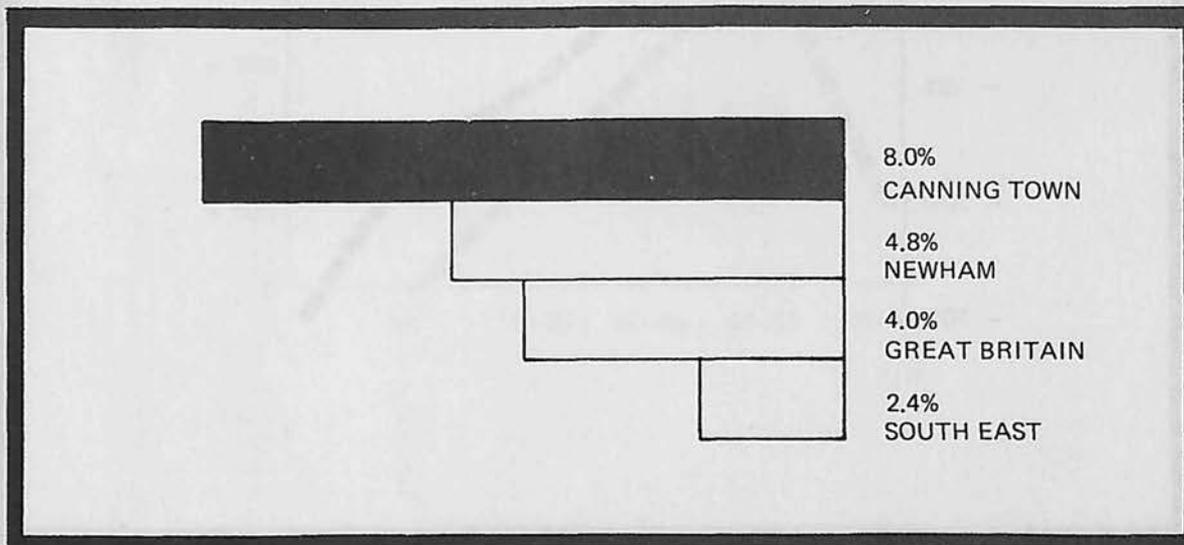


Fig. 31
Male unemployment
rates, April 1971.

Source:
Department of
Employment Statistics
+ 1971 Census

Note:
The registered female
unemployment rate of
1% under represents
the number of women
wanting a job because
women often have no
incentive to register.
The 1971 Census
indicated 11.5% of
women wanted to
work but had no job.

Excluding those who already work in clerical jobs who also face problems of re-adjustment, a large number of people are left who are looking for manufacturing jobs in a shrinking market in London. As the 1971 figures show residents employed in manufacturing jobs declined by 10% and employment in services has increased by 14%. To earn comparable wages many would need to turn to office jobs. This is impossible for men and women who have spent half a lifetime in a factory and have none of the necessary qualifications and inevitably the drift has been into low wage service sectors.

Job vacancies locally are limited. The report 'London: The Future and You': Population and Employment published by the G.L.C. in 1973 showed the ratio of vacancies for male registered unemployed was 1:3 for London as a whole. For Canning Town it was 1:20 and only exceeded by the neighbouring East Ham Exchange area. East Ham's high figure can be attributed to the jobs lost from Canning Town as it has traditionally been the main source of work for residents in that part of the Borough. The majority of jobs advertised at the Canning Town Employment Exchange are in low paid work such as packing plants, warehousing and service industries, usually offering less than £30 per week. There is a demand for skilled engineering trades and heavy goods vehicle drivers but most redundant workers lack these trade skills.

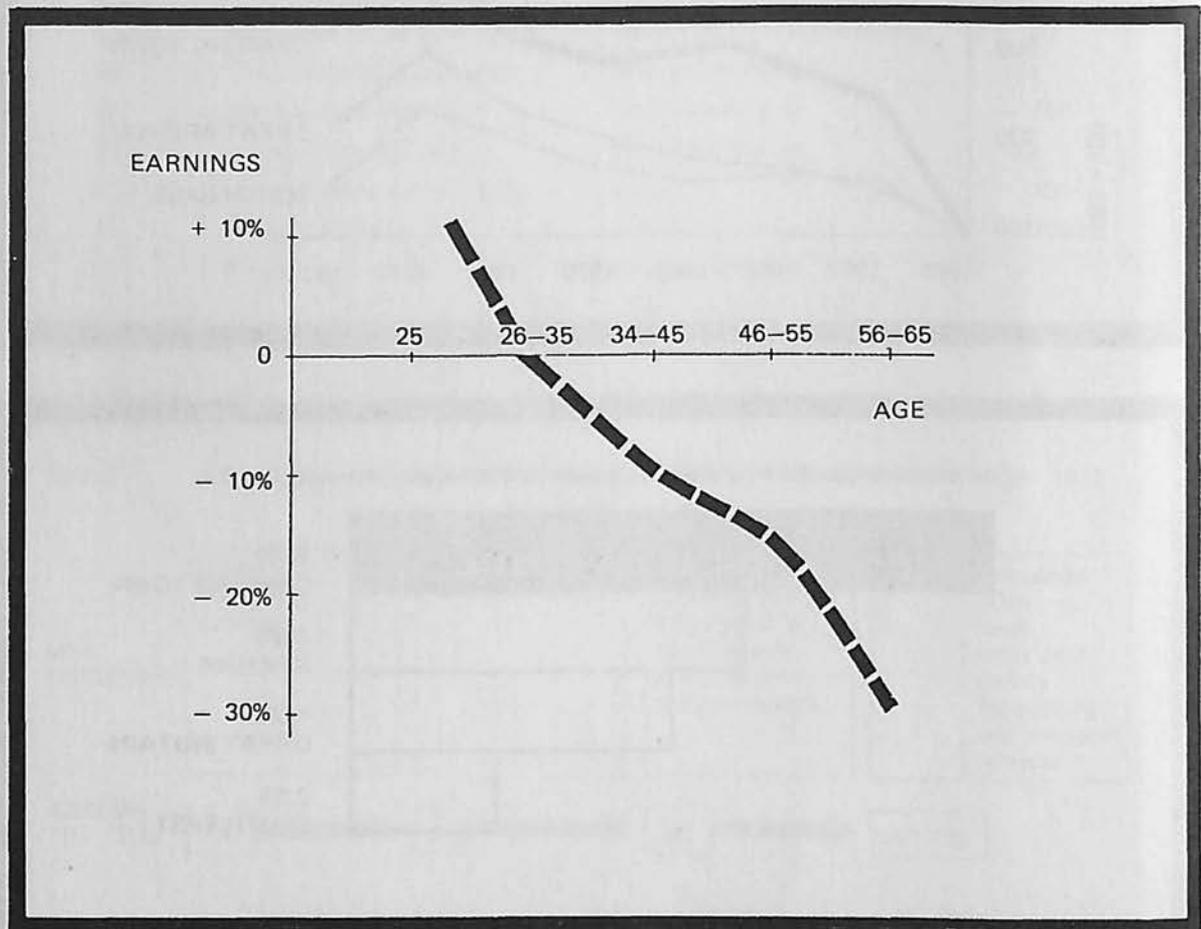
The costs of redundancy rise with age. At the end of 1973, 80% of the 980 registered unemployed men at the Canning Town Employment Exchange had been out of work for 2 months, and half for 3 months. Men over fifty comprised nearly half of this group. Comparable surveys have shown that 7% may never find another job. These are mainly older workers who will experience the enforced impoverishment of the

Social Security as a fore-runner to its unlimited extension on the state pension. While pension schemes in local firms are more conspicuous by their absence except among white collar staff, such provisions as do exist end with redundancy.

Redundancy payments depend upon age, on length of service and primarily upon the negotiating power of the union concerned to raise payments above the minimum. The length of time spent unemployed is not associated with the size of payment nor is the loss in earning power. In 1972 dockers failed to secure their primary aim to secure the guarantee of new jobs but succeeded in raising the price at which they would negotiate by raising severance pay to £4,000 per man over 55 years. In other industries workers have fared far worse. A similar redundant worker at Spillers might expect £600. Considering that the subsequent drop in earnings might be £10 a week or £500 a year, such payments have little long term significance. We could find no evidence to suggest that such payments help workers to find suitable jobs nor that their receipt makes anyone less concerned about the prospect of redundancy, more inclined to accept the need for closure or remove the view that they were better off in the old jobs. The sole function is an inadequate form of compensation for job loss. Lump sums are not the same as a guaranteed earned income and as a result the pressure to take any job regardless of its suitability becomes very great.

This is borne out in the findings of the 1972 P.E.P. study on redundancy commissioned by the South East London Industrial Consultative Group. This study found that the workers who are hardest hit are those who are semi-skilled or supervisors in traditional industries. Their wage levels, expertise and experience

Fig. 32
Drop in future earnings following redundancy for men over 25



Source:
P.E.P. Study - 'What happened to the workers in Woolwich' 1972.

were very specialised and particular to a certain firm and have a far lower value on the open labour market. The survey found that wages fell overall by 15% for those over 25 years and the drop rises dramatically to 29% for those over 55. This would mean that from taking home £40 a week a man's basic income would drop to £28 or less.

The cost and time of getting to work rose by 50% for those aged 46 to 55 years old, the point at which people then opt to work nearer home for lower wages. The transport facilities common to traditional commuter areas are absent from Canning Town resulting in even relatively short journeys taking a comparatively long time.

The loss of traditional industries has other side effects. The area's main source of craft skills and apprenticeships in ship repair and associated engineering trades is drying up. In other industries management complain of a shortage of skilled workers. The reason partly lies in the fact that once made redundant a worker is particularly vulnerable to further redundancy. As a result skilled workers looking for stable employment look to locations outside Canning Town and if work is found elsewhere a move to live away from Canning Town may follow.

Few workers take retraining courses at the local Poplar Centre which has 450 places serving the whole of East London. At one specific time in 1974 only 11 Canning Town residents were on the course. Other short courses chiefly for semi-skilled jobs are available at the local colleges of further education. Few people consider retraining is worth it. Financially the maintenance grants involve a loss of income for most workers and while the same applies to unemployment benefit it would seem that faced with the choice, workers opt for the latter and the chance of picking

up another job at the old wage rate even though the chances may be very slim. Other reasons include the fact that retraining frequently means finding a job elsewhere in London, and it doesn't remove the threat of redundancy. In general terms demands on government retraining services do not reflect the change in the job situation facing hundreds of workers in Canning Town and the facilities available are not linked to a programme of re-creating demand for new skills locally in Canning Town.

Finally the government grants available to move out to a new town are largely irrelevant to the majority of people. The skills required for heavy industry and the docks are not particularly in demand in places like Basildon and it is difficult to qualify even if it is felt to be desirable. Many people in any case do not want to move. There are few signs that employment opportunities are so much better elsewhere as to compensate for up-rooting ones home and severing long established ties.

In the end, the costs of industrial change have fallen on the workers of Canning Town and the community as a whole. The multi-nationals, some of which actually started as small family firms in Canning Town in the early part of this century, have simply hired and fired according to labour demands. The rationale of running a large scale business operation does not allow any concern for the long term livelihood of their workers and as soon as the potential for bigger profits can be seen elsewhere the corporation is forced to move on. The people of Canning Town are being left amongst the empty factories to manage as best they can.

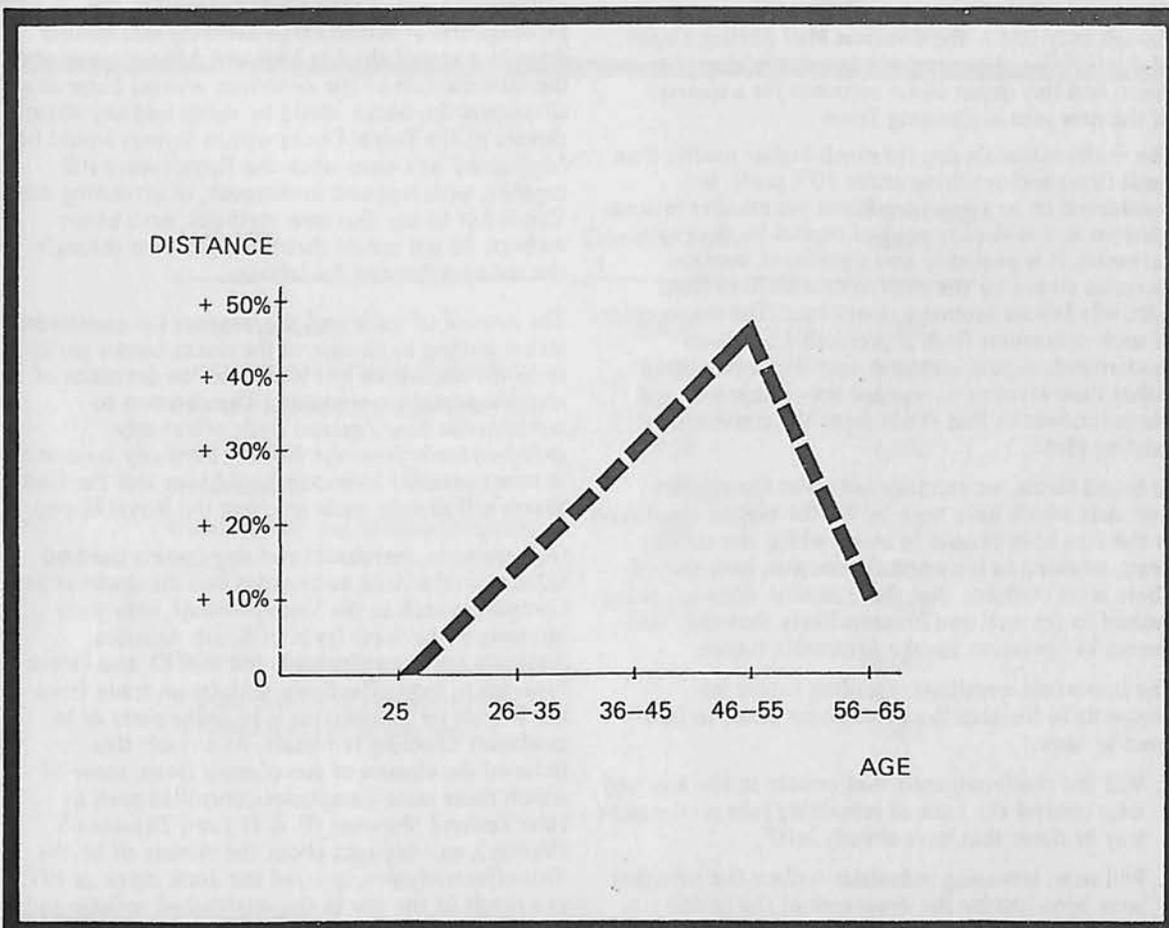


Fig. 33
Future increases in journey to work time for redundant men over 25.

Source:
P.E.P. Study — 'What happened to the workers in Woolwich' 1972

CANNING TOWN: Future of jobs up to 1980

Over the past ten years there has been a massive change in the structure of industry in Canning Town and the number of jobs available in the area. It is important now to ask whether these changes have resulted in a smaller but at least a more stable basis for industry in the area, or whether the decline of industry will continue with the industrial base of the area sinking into total obsolescence.

It is important to note that the vast majority of job losses have come about through the rationalisation of large multi-national firms. On the whole, the small firms have stayed put. Only when they have been directly linked to the multi-nationals — like the small engineering works that supplied the ship repair industry — has there been any cumulative effect on other firms. Between 1966 and 1972, 15 firms accounting for 75% of all industrial jobs were responsible for nearly 80% of all job losses in the area. Whilst the multi-nationals have been moving away some smaller firms have been moving into the area. In fact the number of firms has grown, though only one — the Overseas Mail Sorting Depot of the G.P.O. — has provided any sizeable employment, and this depot alone accounts for a quarter of the new jobs in Canning Town.

The multi-nationals aim for much higher profits than small firms and anything under 10% profit is considered to be a good argument for massive rationalisations and re-deployment of capital by the multi-nationals. It is probably also significant that the factories closed by the multi-nationals have been relatively labour intensive operations. The management of such operations finds it preferable to set up modernised, capital intensive operations elsewhere rather than attempt to manage the changeover and the redundancies that result from the conversion of existing plant.

In broad terms, we can conclude that the multi-nationals which have been by far the biggest employers in the area have chosen to leave, whilst the smaller firms, working to lower profit margins, have stayed. There is no evidence that these smaller firms are being pushed to the wall and it seems likely that they will remain in operation for the foreseeable future.

The important questions regarding future job prospects in the area therefore come down to two specific ones:

1. Will the multi-nationals that remain in the area and who control the bulk of remaining jobs go the same way as those that have already left?
2. Will new, incoming industries replace the jobs that have been lost by the departure of the multi-nationals?

The Docks

The 1973 Docklands Study created uncertainty over the future of the Royal Docks by assuming they could be closed by 1981. The docks will close when ship-owners choose not to use them. At present they are used primarily by non-container ships and there is expanding trade from the Far East and Africa. It is, therefore, quite possible that the Royal Docks will remain open till the turn of the century. The current success of the specialised fruit and wine trade further up stream in the Millwall Docks and the recent investment of Scruttons in the riverside Victoria Deep Water Terminal (again up stream of the Royals and capable of handling one sixth of Tilbury's current container traffic) suggests that the trends are not always quite so inevitable as some would wish. Change in the trade patterns with the current rise of the European links, relying on far smaller vessels than the inter-continental bulk liner trade and with firms, such as Olsen committed to palletisation rather than containerisation, the prolongation of mixed cargo handling and smaller ships in many of the Far East and African ports and the introduction of the American seebees barge-ships all suggest the docks could be viable and any abrupt closure of the Royal Docks within 5 years would be 'engineered' at a time when the Royals were still capable, with renewed investment, of attracting ships. This is not to say that new methods, such as the seebees, do not create their own problem through the reduced demand for labour.

The control of trade and the impetus for containerisation leading to closure of the docks comes partly from the shipowner but also from the decisions of merchants and governments. The decision to containerise New Zealand trade effectively switched trade from the Royals. Similarly investment in new container terminals by African and Far East States will dictate trade reaching the Royal Group.

Governments, merchants and shipowners have no liability to the dock authorities and the dockworkers. Companies such as the Vestey Group, with their interests in the meat trade of South America, Australia and New Zealand, and P. & O. and Ocean Steamship, have effectively withdrawn trade from the Royals by transferring it to other ports or to container handling terminals. As a result this induced the closure of stevedoring firms, some of which these same companies controlled such as New Zealand Shipping (P. & O.) and Thames 65 (Vestey), and brought about the closure of berths. This effectively precipitated the dock strike in 1972 as a result of the rise in the unattached register and the fact that at the same time organisations, such as

Vesteys, were developing container handling services elsewhere and benefitting from the sale of closed premises and land further up the river.

The P.L.A.'s interest in the Maplin seaport proposals is still the subject of discussion by the government. For this proposal to go ahead it is almost inevitable that the upper docks must close to provide the necessary investment. Both government and the P.L.A interests lie in this direction but is still difficult to predict whether the Maplin scheme will ever get off the ground.

There can be no definite conclusions about the future of the docks. At the same time it is fair to suggest that if no one apart from the dockers is committed to keeping them open, then trade will continue to slip away, closure of berths and part closure of the three separate docks will result, and a rise in the unattached register could re-assert itself. As a result the docks might remain 'open' but part closure and severance could still account for a loss of two thirds ie. 4,000 of the present (1972) 6,000 jobs.

Other Industry

Unlike the docks, other industries tend to lack the cohesive and well unionised workforce to seriously impede closure decisions. Individually such firms may account for only a few hundred jobs but together they could account for losses in excess of total closure of the docks.

Industrial change is a response to the market forces induced by technical change, competition and investment opportunities. To assess the decline that might be expected up to 1980, the profitability margins of the remaining large companies have been taken with the assumption that they are very likely to rationalise their production and move elsewhere when profits as

a percentage of capital employed have declined to 5% or less. This rule of thumb is not an adequate predictor in itself and it is also necessary to make judgements concerning the impact of Maplin and its non-tidal port on management thinking. Vulnerable industries, firms and their location during the rest of the 1970's are discussed below.

By using this very approximate method, the following figures are obtained. (See table below)

The gross decline would continue at much the same rate as during the past ten years. There is also little reason to believe that incoming firms will replace jobs at anything greater than the 3:1 ratio as before.

Vulnerable Firms

Bearing in mind the asset value of the land which many firms own and the pressure to increase profitability, those firms which are currently unstable are unlikely to survive. The side effects of closure in one sector upon other industries and the accumulating pressure which could result in changes in land use zonings and redevelopment also make other firms increasingly susceptible. The attraction of access to water recreation for residential development means that it is the land values of sites adjacent to the Thames which have experienced the greatest rise and the greatest interest.

In 1966 the Silvertown Thameside frontage provided 13,200 jobs. Following a net loss of 4,000 jobs since that time, it is apparent that all the 9,500 jobs remaining could be removed if the industrial land zoning applied to this area were changed. (This excludes the docks area immediately to the north). Even so closures and rationalisation will continue if nothing is done to prevent them. The following examples indicate which are the vulnerable firms.

Industry	Current Jobs	Potential losses.
Food Processing	5,400	4,300
Chemicals and Petroleum Products	1,200	1,000
Engineering (Mechanical/Electrical)	3,000	2,700
Ship Repair	1,600	1,200
Metal Goods	400	200
Other Manuf. (eg. Rubber/Plastics)	300	100
Timber	600	200
Textiles	500	200
Potential Job Losses		10,000
% gross decline of industrial jobs 1972/80 (excluding the docks)		50%

Fig. 34
Vulnerable industries
excluding docks

Firms vulnerable to closure

1. FOOD PROCESSING

The vulnerable position of Tate & Lyle, with 3,260 jobs is widely recognised. The remainder of the job losses in the food processing sector largely depend upon the vulnerability of the flour milling industry. Despite rises in home grown wheat the industry is still dependent upon imported materials. With some mills empty, a new grain terminal at Tilbury and the susceptibility of Victoria Dock to closure, resulting in pressure on Spillers (650 jobs) and Rank Hovis McDougal (170 jobs) to leave are quite considerable. Although Unilever may choose to close its file on Silvertown and run down Van den Burgh & Jurgens (350 jobs) the riverside access to imported edible oils may secure a longer term future.

2. SHIP REPAIR

With the exception of London Graving Dock, ship repair is largely in the control of P. & O. who appear set to cut back their operations or even withdraw from the Royals. This would spell closure for Green Silley Weir and its subsidiaries and the loss of 800 jobs.

3. ENGINEERING AND METAL GOODS

The loss of ship repair will affect many small firms in associated engineering trades. In the field of electrical engineering the future of Standard Telephones (2,400 jobs) is definitely limited as under sea cables are replaced by satellites. This marine telecommunications division of I.T.T. could well find itself re-grouped within a few years and a recent study indicated plans already to close down sub-repeater production and transfer to south of the river

with no proposals to re-invest on the Henley Road site. The age of the premises contributing to the extra costs of its Silvertown location are additional reasons for the pressure towards closure.

4. CHEMICAL AND PETROLEUM PRODUCTS

Both these industries have a mixture of outworn premises and riverside sites which may be undermined by trends in the oil industry and in the property sector which are affecting what might be described as a 'soft' area, to the west of Silvertown. Amoco have closed down. The future of petroleum distribution, Gulf, Esso, Shell Mex B.P. and the paint interests of Courtaulds, (Pinchin & Johnson - 540 jobs) may be overtaken by events affecting the riverside sites, as well as changes in the oil industry which have already led to the closure of Amoco.

5. RUBBER AND PLASTICS

At one end there is closure of outworn premises and at the other, small plastic firms are looking in the future to expansion. The inability to find suitable premises may result in their re-location.

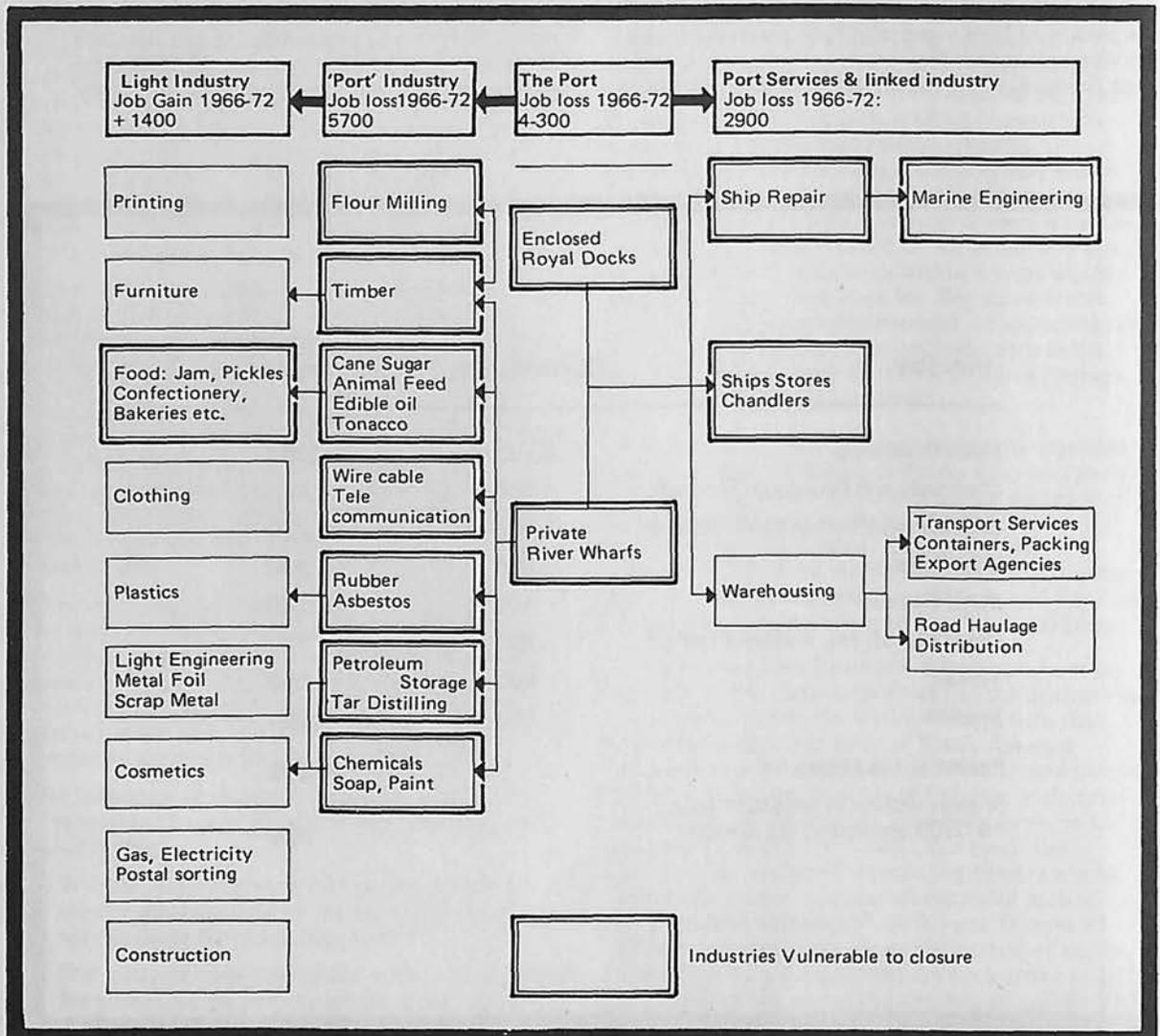
6. TIMBER

The development of a West African timber terminal at Tilbury threatens the 'overside' barge trade of the Lea Valley firm of Howards. In the Royal Docks, Hollis E.S.A. on a leased site are equally threatened by the closure of the Victoria Dock if part closure of the Royals was to occur although much of the timber now comes in by road.

7. TEXTILES

Part of this industry is linked to the docks and ship repair (tarpaulins, insulation etc.) and might suffer a marginal decline. Dicks Asbestos has recently closed.

Fig. 35
Industries vulnerable
to closure between
1972 and 1980



New Jobs

The new firms which came into the area over the period 1966 - 72 are either capital intensive or plain warehousing. There are also indications that some small firms have been attracted by the prospect of cheap labour resulting from widespread unemployment. Overall, there seems little likelihood that the ratio of three jobs lost to one created over the past six years will be changed in the future. If this is the case, Canning Town faces a long decline in employment prospects within the borough, and into undesirable low wage sectors which do not meet the need for manual skills at decent wages.

Conclusions

The general conclusions are that by 1980 the 28,500 jobs existing in 1972 could have been reduced in the following ways.

1. Excluding the docks vulnerable industries/vulnerable firms could account for 10,000 job losses.

2. The docks might register no losses or possibly 3,000-4,000 through part closure and run down, with 6,000 lost through full closure.
3. The decline of industry alone would result in a gross loss of 10,000 industrial jobs - that is a decline of 35% or two thirds of all manufacturing jobs if considered separately. If during the same period the Royal Docks are partially closed, the decline in the number of jobs reaches the staggering figure of 46%. If new jobs are created at the same rate as during the period 1966 - 72, there will again be a net decline of over 30%.

The industrial structure of Canning Town will have totally changed. Gone are the docks and all the associated industries and all that remains is small industry, warehousing and road haulage. The previous table illustrates diagrammatically the existing industrial structure and its linkages in 1972 with gaps which could result by 1980 in the major sectors of local industry, if current trends are allowed to go on unchecked.

Redevelopment of Dockland

It has always been profitable for capital to invest in Canning Town since the earliest days when foul smelling and filthy industry was deliberately attracted into the locality. Even today as London's Dockland falls further and further into decay and industry is looking elsewhere to re-invest its profits, this still remains essentially true. Contrary to its physical appearance industrial decline is a profitable activity. Profitable to both the companies moving out because they have been able to release their assets and profitable to new forms of investment which has moved into the area displacing the traditional industrial interests. As a result land values have increased in the process. This can be explained by pressure on land close to central London for commercial and housing development and by the parallel need for an aging industrial structure to re-invest in new technologies. The latter can be done to more advantage by selling up and re-investing elsewhere. In the past as, for example the city expanded, homes and jobs of working class families vanished and were replaced by commerce and white collar workers. The present generation of working class communities in Dockland differ in that much of the housing is owned by local authorities. Although such housing does represent an asset which can be sold by the councils it is reasonably secure in Docklands in the immediate future. As a result, jobs are disappearing faster than the population which is tied to the area by the security of a council home. Having lost its traditional workplace in the docks and heavy processing industry, the community is being turned into a supplier of low wage service sector workers elsewhere.

In Canning Town, this lack of industrial re-investment and the pressure for non-industrial interests to move in, has started a process of under-development which will result in a less and less viable community for the existing population. There is already ample evidence of trends in this direction. Local people are faced with a lack of satisfactory work, the prospect of lower wages, a poor future for the young, an exodus of the more able, an aging community, a shortage of teachers and other necessary skills. The community becomes unbalanced as decline accelerates. Those with skills in new technologies in demand elsewhere move out because they find it easiest to find jobs and housing in newly developed working class communities like the new and expanded towns. This loss of the young and skilled reduces the community's spending power which may in turn close shops, cafes and other services. Industry find it more difficult to recruit skilled workers and the decline accelerates as the process of segregation increases the proportion of the local population with skills which are no longer attractive except to firms which may move into the area to exploit the least organised sections of the community. In Canning Town the bedding firm Spyrallynx provides an example of one such firm. In another direction, the loss of industrial rate income adds to the difficulties of inadequate local finance and within Docklands this has led some councils into indiscriminate 'planning gain' proposals with developers exchanging planning permission for offices in exchange for rate income and all too few council homes.

Besides the relevance of this process to other dockland communities in Liverpool or Tyneside, it can also be argued that new working class communities in cities, such as Coventry and Milton Keynes, will in their turn become vulnerable to the same forces and this will come about more quickly than in London's Dockland. This is because technological change depends upon the rate of capital formation. Old communities are currently based on labour intensive activities like food processing and it has taken time before these industries have sufficient surplus to invest in new automated plant. New communities like Coventry or Milton Keynes are based on more recent capital intensive industry, manufacturing consumer durables and accumulating capital more quickly. In other words, whilst industry in Canning Town established in the 1880's lasted roughly 80 years, industry set up in Coventry in 1940 or the new towns may pose problems in the next 20 years for the economic viability of their dependent communities, despite the traditional belief in the capacity of Midland industry to innovate. The long term costs of continuing to allow established communities to be undermined by the dictates of industry, moving as it wishes, are not simply human ones but financial ones. The growth of new communities and the decline of old ones both incur public expenditure. An expanding population requires the fulfillment of unavoidable statutory responsibilities like schools but a declining or changing population has attracted little attention and few, if any, statutory commitments other than to close down facilities. Yet a high rate of decline may ultimately involve huge public expenditure on unemployment benefit and long term social security payments to a large proportion of the population.

The Docklands Study

The last few years have seen a whole series of major studies in which central government and public authorities have had the opportunity to represent their future policies towards London's east end. Maplin, Tower to Tilbury Conference, the Greater London Development Plan with the subsequent findings of the Dept. of the Environment's Layfield Report into the proposals, and finally the 1973 Docklands Study. The Docklands Study provides the most immediate context within which to situate Canning Town's economic trends and to examine the political context in which decisions about its future are being made. The assumptions upon which the Docklands Study reported are obscure and open to criticism. It is clear that while an enormous investment programme of more than £1,000 millions is the appropriate scale of resources required to rehabilitate the area, the Docklands Study's conclusions failed to relate social needs with investment proposals.

All five Docklands Study options featured the removal and non-replacement of the area's industrial base and all but one emphasised the introduction of a middle class owner occupier population from elsewhere.

The government's role in the process was obtuse as the real issues around decline are well recognized. While clear cut intentions by the government, on freezing land values and public investment, should have been the order of events, the issues were instead blurred. In doing so, ways were opened up which could ease the way towards a gradual reshaping of the area's investment base by private capital without any policy declaration to that effect. Secondly, the responsibility for the study was taken out of the hands of local councils and placed with private consultants on the grounds of capability and speed. This has been an increasing occurrence in recent years and is a natural progression following from the deliberate policy of taking decision making, and the resources to support it, away from local communities — leaving them poorly staffed and ill-equipped to mount such studies. The by-product is to down-grade the smaller community's capacity and rights to dispute plans which start from a wider range of interests and almost inevitably include those which are more powerful and with which it is in conflict.

The precise origin of the Docklands Study lies in the Port of London Authority's announcement, four years ago, of a programme of closure for its upstream docks. Public interest was focussed on the gathering pace of decline and dereliction in London's dockland. The resale of St. Katherine's Dock, by the G.L.C. for hotel development taking no action to retrieve the enormous profits, and the proposal by Hays Wharf to turn their Thames frontage to more profitable account as offices, helped to identify the area as one of 'exciting potential' for developers. Whilst, for local residents and workers heavy redundancies and fears for the future began to accelerate. The five local authorities were also concerned to fulfill long standing plans of their own such as Newham Council's Beckton scheme. In 1971 the G.L.C. and D.O.E. took steps to sponsor as 'more coordinated approach' and commissioned consultants to prepare a study outlining redevelopment proposals for East London.

The boundaries of the study area included the industrial belt of Canning Town but excluded the residential areas. It failed to encompass the traditional economic links between the two. Similarly despite the dependence of the local community upon the declining industrial concerns, the consultants chose only to survey the needs of management alone. The demands of Canning Town's residents and workers were never actively sought at this vital early stage, nor singled out as the specific interest to be served. Instead, it is now clear, that the area came to be viewed as a resource for the needs of London as a whole. Consequently, irreconcilable interests with those of the communities within Dockland were incorporated.

The study projected that the five Docklands Boroughs could expect to lose three quarters of their manufacturing jobs and over half their transport jobs over the next twenty years. The proposals assumed closure of the Royal Docks and substantial areas of Silver-town going out of industrial use. Although Canning Town was losing 2,300 a year alone between 1966-1972 the maximum number of new industrial jobs suggested by the Study totalled less than 3,000 over the next twenty years together. The report stated that in raising the question of government restrictions on the growth of new jobs with the Dept. of Industry, they were led to understand that a 'particularly substantial justification' was needed to modify industrial location policy and in the final analysis the Study considered there was not sufficient reason to do so. Their proposals opted particularly for office employment which in turn reflected their own

bias towards a changed population and social structure through the introduction of private housing, although they accepted the point of view that the introduction of middle class people into this traditional working class area had no proven benefits for the existing residents. The report accepts that there will be an insufficient supply of manual jobs for local residents which it believes could eventually lead to 'social tension'. It suggests three solutions none of which contribute to a re-vitalised local economy in Canning Town — the extension of retraining facilities, the decline of the existing population; the increase of commuting to work elsewhere in London.

Under the sponsorship of the Dept. of the Environment, these issues and the general implications of current industrial policy were discussed with each of the relevant government departments. The study is therefore a pertinent guide to the policies adopted towards urban industrial neighbourhoods in decline, like Canning Town. The Study summarises the views of its Steering Group comprised of officers of the Dept. of the Environment, the G.L.C. and five London Boroughs as indicating a consensus favouring a 'middle' range of population allowing lower housing densities, higher environmental standards and with public and private housing in broadly equal proportions. The majority favoured a 'middle' range of jobs, both office and industrial with only one minority view opting for maximum jobs. A better public transport system was demanded.

The most clear cut influence on the content of the central proposals was that of the Dept. of Industry who indicated that no-reassessment or departure from current policy restrictions on the growth of new industrial jobs would be entertained. The Study documents the high rates of unemployment, the acute shortage of traditional manual jobs, the need for retraining facilities on a substantial scale and finally the existing dependence upon supplementary benefits at twice the rate for London as a whole. Faced with the consequences of jobs disappearing at an excessive rate, leading predictably to heavy demands and dependence on the Dept. of Employment and D.H.S.S. the report presents no indication, by either department, of specific programmes for the area to meet the situation which has arisen. In evidence to the Parliamentary Expenditure Committee on Regional Development April 1973 the Dept. of Employment stated directly its belief that industrial decline in inner London does not present a problem and that as the working population is falling there is no obvious marked imbalance developing between people and jobs available in the London area. In the same session the department confirmed that its collection of information does not allow for routine analysis of small areas. Its published statistics largely relate to London as a whole. The implications of changing job prospects upon the type of education available in Canning Town are not raised by the Dept. of Education and Science. The report concerns itself solely with the adverse effects of Newham's low achievement figures, in conventional terms, upon any proposals for private house development.

The necessity of freezing land values at their use value was a clear cut step which needed taking to protect the interests of local residents. The Dept. of the Environment within whose jurisdiction such a critical move lay, failed to commit itself at the time. Subsequently, a Parliamentary Bill has been proposed covering the 'Control of Development Land' which would allow for such steps to be taken within dockland. In more general terms the Dept. of the Environment subscribed to the package of policies against the local communities interests — migration of existing

working residents plus extensive commuting to available jobs elsewhere in London combined with the introduction of a mobile middle class population through subsidised private housing. The Dept. of the Environment's regional planning policies also still support the maintenance of restrictions on industrial re-investment in the area. Its views are more directly expressed in the Layfield Report 1973 in which it comments upon the G.L.C.'s concern at the over rapid run down of jobs from inner London. It concludes that it did not find sufficient evidence to suggest that this was detrimental in the long term, nor that it was realistic or desirable for the G.L.C. to significantly influence the rate of loss of the existing population as an element of its employment policy. The department's perspectives are again pitched at a sub-regional level which distorts the rate of changes occurring at a smaller scale. Economics will determine that few existing residents would buy any new private housing and that it will be the young, skilled or homeless who will move out. The result would heighten existing signs of an adverse population imbalance whilst the introduction of a new population through any private house development would merely hide the consequences statistically. The commitment to increased commuting is not backed up by any proposals to improve present public transport facilities to meet existing rising need. In practice industrial decline has already impaired services. Finally the belief in a statistical match between jobs and people, across London as a whole, ignores the fact that a high proportion of these unfilled job vacancies requiring, increased time and money to reach, are in lower paid service work.

The Port of London Authority is a public trust company controlling nearly half of the land in the Canning Town industrial belt. The P.L.A. has stated that the Docklands Study's assumption that the Royal Docks will close by 1981 was that of the Docklands Study team alone. At the same time, in March 1973, the Director of the P.L.A. stated that there would be a need to rationalise facilities further and that "it must be remembered that our property in dockland is an important part of our assets on which P.L.A. stock is secured." In search of capital the Authority has sold sites and docks and entered the field of property development. The Gas Board, as another major landholder, reversed its decision to release the vacant Beckton site, in a surprise re-assessment of its needs and no doubt potential land value. The Docklands Study demonstrates how these authorities, despite their public ownership seek only their own survival. Their accountability to their dependent communities is no different to that of a private company.

Whilst attention was drawn to the rapid shift in the investment potential of dockland in the Business Press it was also recognised that there had been a 'sudden rise in hostility on the part of public opinion in dockland against outside developers'. Prior to publication of the Study, Canning Town's local West Ham Trades Council produced a joint report with the London Co-op Political Committee, describing the unpublished report in some detail. It severely criticised the assumptions on which it was based. It stressed the importance to Canning Town of a revived economic base and called for at least 16,000 new industrial jobs of the right quality, to replace past and predicted redundancies. It concluded that "it is the working people of this area who have won the right to say which direction the redevelopment of London's Dockland shall take, a right won by the lifetime of living through pre-war industrial grime and smoke, the destruction of the second world war and

the periods of unemployment. The people of Canning Town have a right a thousand times greater than the profit greedy developer already eager to move for what could be for them the greatest bonanza this century". Alongside the Trades Councils, the T.U.C. itself chose to make its first major entry into community development on Docklands. In its well argued report 'Redevelopment of London's Dockland' (October 1973) it considers that workers have a right to know and influence decisions about development where they live as well as on the shop floor and demands a form of consultation to accommodate that right. The report also adds its voice to the call for land in dockland to be secured at present use values. At a local level antagonism to the plans brought different local interests together and to the formation of local Action Committees and later a Joint Docks Action Committee producing its own paper and attacking the action of developers and policy makers.

Newham Council formally rejected the proposed options of the Docklands Study. The new Labour G.L.C. also rejected its predecessors commitments whilst allowing the public consultation programme to run its course. The suggestions of a New Town Corporation was dismissed by the Boroughs and the G.L.C. as the proposal clearly undermined local control over decisions, and a joint committee from the Boroughs and G.L.C. called for 'the kind of plans we as Labour authorities wish to see in Dockland'. Subsequent negotiations led in November 1973 to a new Joint Committee of the Dept. of the Environment, the G.L.C. and the Boroughs. It was then considered that the Committee would take a year to devise a new development plan and a further year to consider public reaction. Newham Council and other Boroughs are simultaneously preparing plans. Coordination of the various proposals will allow for the right of veto by different councils.

The new machinery still begs basic questions as to what are relevant proposals for Canning Town residents and workers and how their views are to be sought out by the plan makers. While proposals are being drawn up factories continue to close, indicating that words and physical plans alone can't change matters. The programme of consultation around the Docklands Study report sought to 'sell' its proposals, four of which totally contradicted the general consensus of opinion in Canning Town. To replace this approach, the G.L.C. is pursuing an on-going sample survey of individual families throughout Dockland and an advisory committee on which local groups have found representation but without any capacity to take decisions. As a result the assumptions upon which new plans are being drawn up still rests upon the interpretation of officials and plan makers rather than the clearly expressed decisions of opinion in each community. This latest approach does little more to precipitate a live discussion and expression of opinion than its predecessor. Sample surveys of individuals are irrelevant to the power to make critical judgements at all stages of plan preparation in each locality. Local organisations used as an avenue for stimulating and representing opinion must have access to such power which current machinery fails to provide.

To these basic fears over the adverse workings of the new Joint Committee on Docklands, can be added the more recent threats that the Labour Government's proposals for the public ownership of land may not result in cheap land in Dockland. The present White Paper requires revision on at least two major points. Firstly there is the general criticism that during the transitional period land already with

planning permission will be exempt. Secondly the present proposals are based on compensation at current use value. The current use value of this disused docklands is nil. However, it is understood that it is being argued inside the Department of the Environment that there should be a departure from this principle. It is being held that, as the Port of London Authority is a public body, a higher price should be paid. Indeed the White Paper, probably with this in mind, states: "Some land may have little or no market value in its current use. This may give rise to difficulties when land is acquired at current use

value and requires a special basis of compensation to deal with such cases."

There is a great danger, that, if such clauses are not dropped and if local control over the preparation of new plans by the Joint Committee on Docklands is not increased, an opportunity to satisfy local demands will once more be lost. It is necessary to guarantee that proposals, such as for any new Docklands tube link, will be used to renew the existing industrial structure rather than the hasten its decline and replacement by homes for commuters.

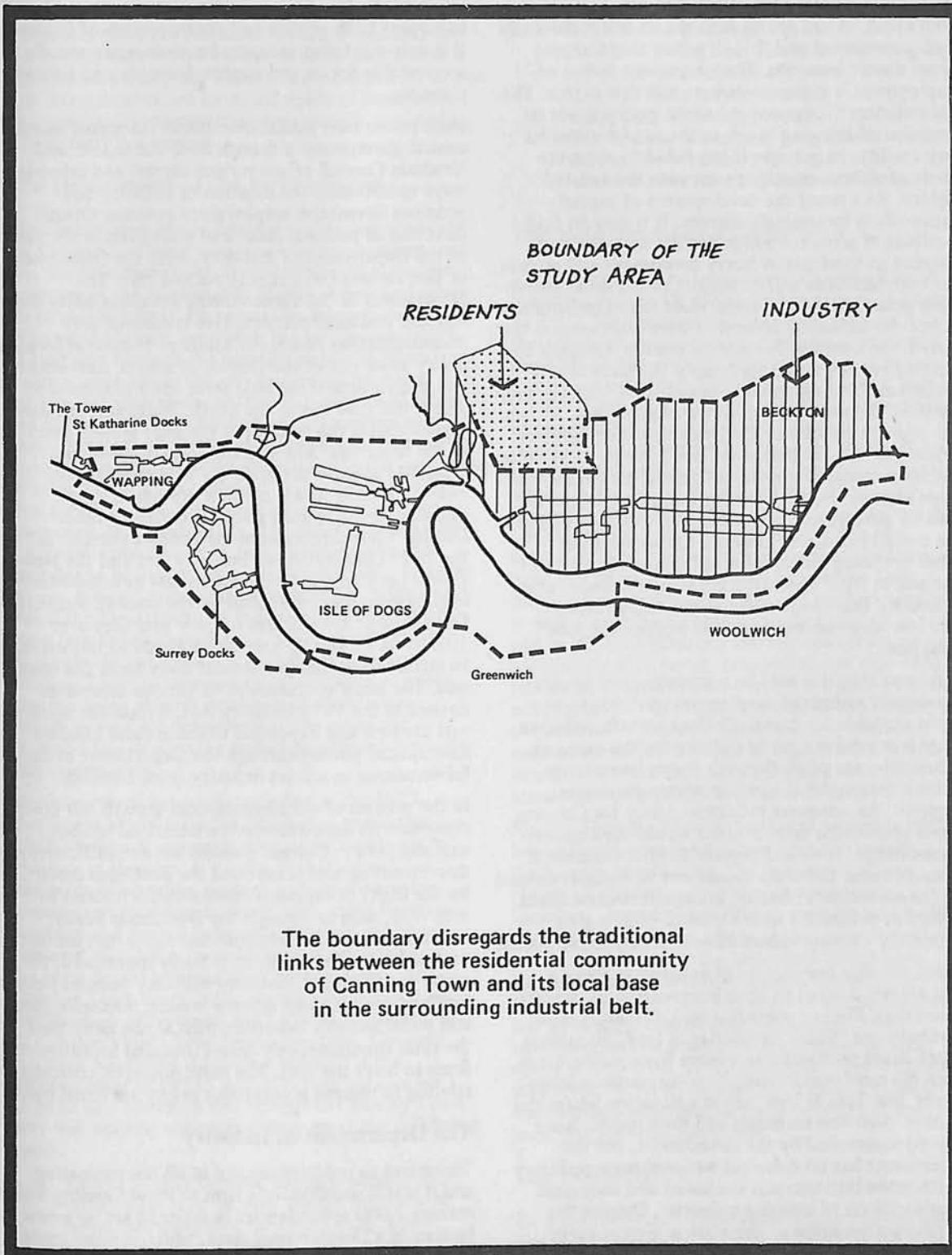


Fig. 36
The exclusion of Canning Town residents from the Docklands study area.

Regional policy failures

On the criteria by which industrial development policy is laid down, Canning Town should be able to offer incentives for new industry but because it is treated as a pocket of decline within the prosperous 'south-east', it can get no such aid. It is still currently both government and T.U.C. policy that Canning Town should lose jobs. Their argument is that unemployment is higher elsewhere and that is true. The real criticism of regional industrial policy is not its intention of bringing 'work to the workers' but its very crudity. In practice it has failed to meet the needs of old communities even with the assisted regions. As a result the development of capital nationally is increasingly uneven. It is easy to find localities of gross economic decline within a short distance of localities of heavy investment and growth, yet both localities will be subject to the same government policies and incentives. Most towns in Britain have older industrial areas that were built around the turn of the century. Parts of Newcastle, Glasgow and Birmingham are suffering exactly the same sort of decline as Canning Town irrespective of whether they are in an industrial Development Area or not. In fact the regional policies of the Department of Industry have done little to better the older industrial localities and have focussed investment instead on sites within these regions. Just as Canning Town's problems are seen by government as self-solving, when set within the overall picture of London, the solutions of other declining industrial neighbourhoods such as Benwell in West Newcastle are sought elsewhere on Tyneside. That community is also being forced into low wage sectors as skilled engineering jobs disappear.

It follows that it would be a mistake to campaign for present industrial development policies to be made available for London's Docklands in isolation. What is needed is a set of policies for the outworn industrial areas of all Britain's towns irrespective of their geographical location within particular 'regions'. An adequate industrial policy for Canning Town and similar communities would need to meet these criteria. It should prevent further closures; if closures occur the costs should not be unfairly carried by the community; finally, industrial re-investment should be promoted with a growth of new jobs within the existing industrial area experiencing decline.

There are very few sectors of industry in Britain that are not subject to state intervention of one kind or another. Figures published by Courtauld's show that between 1966-72 a quarter of its £250 million expenditure on fixed assets came from public funds. Even the most vociferously free enterprise managements, like Tate & Lyle, are in a situation where the price of their raw materials and their products are directly controlled by the government, yet the government has no coherent national sugar policy which takes into account the social and economic considerations of locating refineries. Despite the massive intervention of the state in almost every industrial sector, the policies pursued are partial,

often persuasive rather than obligatory and they do not add up to a coherent national policy which takes into account the needs of the whole community. If public money is to be spent as it is in helping both private and public sectors of industry, it is only right that industry be made more socially accountable for its investment decisions and forward planning.

Most power over public investment is located within central government although both the G.L.C. and Newham Council retain various formal and informal ways to influence the location of industry and promote alternative employment policies. Overall direction of national industrial policy lies in the hands of the Department of Industry, with the Department of Employment in a closely related role. The Department of the Environment's responsibility for regional and local planning give it control over decentralisation policy for London. Industrial location policy arose out of the closure of mines, steelworks and shipyards and the long term unemployment to which this gave rise in the north, Wales and Scotland, together with the belief that the high growth rates of the south-east and Midlands was inflationary, creating excessive demands for new services. The twin policies of hiving off new growth in light industry to the regions and decentralising inner London's population were the policies pursued in the 1945 Distribution of Industry Act and the New Towns programme. In the south-east new industrial employment was controlled by the issue of industrial Development Certificates for new premises over 10,000 sq. ft. and by promoting financial incentives to attract firms and investment away from the south-east. The latest re-statement of various incentives devised in the 1972 Industry Act. Within the south-east the new and expanded towns around London have special powers through the Department of the Environment to attract industry from London.

In the process of pursuing regional growth our older communities have become the sacrificial lambs of national policy. Current policies are not sufficiently discriminating and compound the problems created by the flight of capital. Practical opportunities to intervene, such as through the Docklands Study, not only offered no solutions but show that industrial decline in our conurbations is badly monitored, the social costs ignored, and contradictory policies pursued. Public money is spent on new homes, unemployment and social security benefits whilst at the same time the state simultaneously offers financial incentives to firms to leave the area. The main points of criticism relating to present government policy are listed below.

The Department of Industry

Incentives to industry are not at all discriminating and it is still possible for a firm to leave Canning Town making 1,000 redundancies in order to set up a new factory in a Development Area, which is more capital intensive, and only create 250 new jobs. At the same

time the firm will receive all the grants and subsidies available under the 1972 Industry Act. The Department of Industry needs to introduce new criteria for determining whether firms should obtain grants for moving out of old industrial areas and into industrial development areas.

Firms with consistently high profits do not need these grants and should not get them. Firms intending to reduce their labour force significantly by such a move should also be denied grants or planning permission to build in another area, possibly through the reintroduction of I.D.C.s nationally. Similarly in awarding a grant to a firm for moving to a development area, the wider social costs of such a move should be considered and if an intended move is going to be disastrous to the locality losing the firm, the Department of Industry should be able to allocate grants and subsidies for firms to stay where they are if it is clear that the economic viability of the firm is threatened. Finally the siting of nationalised industries should be determined by social needs of localities and not just the commercial or economic needs of the industry concerned.

The Department of the Environment

The Department of the Environment's responsibility for regional and local planning legislation means that it is the department which should have the clearest overview of the relationship of jobs, home and other social requirements. Its powers lie through its control of housing finance, transport, the public acquisition of land and through the negative power of planning controls over where the physical development of land should take place, all of which express social and economic judgements of what is appropriate. The Department of the Environment's current policies towards the south-east are still rooted in the reduction of inner London's population, the re-location of population in New Towns with most recently the suggestion of a Maplin City. The constraints on new industrial employment in London are still seen as essential to both purposes, and firms leaving London are encouraged to consider a New Town in the south-east if the Department of Industry cannot persuade them to a Development Area. Yet it is not enough to simply decant the more skilled workers from Canning Town to new or expanded towns or outer London when the job prospects of those who remain behind are deteriorating and when the excessive loss of a young skilled population weakens that community.

The investment proposals included in the 1973 Docklands Study included nothing to encourage the rehabilitation of outworn areas or reinvestment by industry in the area. It is clear that the careful standards of planning pursued in New Towns to ensure short journeys to work, acceptable housing densities and design, balanced industrial structures, favoured recreation facilities do not operate to the same degree in areas like Canning Town. Yet Canning Town alone is the size of a New Town and the Borough of Newham has half the population of all London's eight New Towns together. The only favoured treatment it has ever received is the pathetic offer of Urban Aid. If future policies are to be of any relevance and benefit to Canning Town they will only be adequate if they meet the following needs.

1. Vacant land in Canning Town is already too valuable for it to be used for the creation of either incoming new manufacturing jobs or housing for local residents. The government must make that land available at its use value

and not its potential value as private housing. Nothing less will guarantee its redevelopment by the council in the interests of Canning Town residents.

2. Present policy directed towards New Towns will only be adequate when it is complemented by a positive commitment to the communities which remain. What is needed from the Department of the Environment is a commitment to a definite figure for the population of communities like Canning Town which would define the threshold at which the rate of population and job loss change was unacceptable. This would call for a policy of incentives or constraints that meet the housing and employment needs of the people.
3. There should be tighter control of housing allocation in the New Towns so that they do not continue to siphon off workers with skills from the older industrial areas, creating a higher paid 'labour aristocracy'. To the extent that the new towns have been free to screen out unskilled workers, their policy has been detrimental to the older industrial areas.

The Department of Employment

Forty five per cent of workers in Canning Town's industrial belt in 1966 had experienced redundancy by 1972. Most workers have to look for new jobs through local employment exchanges. Less than a third found new work in Canning Town. The rest had to work further afield. Canning Town is part of a wider employment area in which the Department of Employment is setting up a 'job shop' and a computerised vacancy notification service between nine different employment exchange areas. This service is due by 1975 and will certainly make it easier to find jobs within an area 10 miles north and east of Canning Town. However, this new service is based on the assumption that residents will have to commute further afield for work. Only a third of households have a car and public transport is very poor, which could mean that getting to work will be difficult generally and impossible for people particularly with family responsibilities who need a job locally. Similarly, the current retraining service exists primarily to retrain workers to work elsewhere in London. In contrast Canning Town needs not only an expanded service, but one which can create new skills within the community as a means to attract new investment back into the area.

Finally, Canning Town is fortunate in that it still has an Employment Exchange which relates to the locality specifically. The exchange collects figures of numbers of registered unemployed, vacancies, most firms closing or opening and forthcoming redundancies. Much of the information comes available after the important things have happened and little information is compiled or published locally. The Department of Employment has an obvious contribution to making better local information available. The present position could be improved by legislation to make it compulsory for all firms to register the arrival or closure and numbers employed in local factories at the local Employment Exchange.

The Home Office

To concentrate any efforts towards improving the working of the social services or breaking cycles of deprivation when the very livelihood of the commu-

nity is at stake is clearly nonsense. The Urban Programme — of which C.D.P. is a part — must begin to focus on the basic economic problems of inner urban areas which so pervasively determine every aspect of the quality of life. A step in this direction has already been taken in a recent report commissioned on behalf of four Community Development projects. The report looked at the strategies of several firms in these four old industrial areas and concluded that — “it is clear that there is a process of underdevelopment taking place, by which selective policies for the development of industry in virgin locations actually have the effect of further underdeveloping the economic base of the older industrial areas. This type of under-development has a complex and perhaps irrevocable set of social consequences”. (Jobs in Jeopardy : 1974).

The Greater London Council

From supporting government policy and encouraging firms to leave London through the creation of an Industrial Centre, the G.L.C. changed its policy in the mid-sixties. As population and jobs fell and pockets of high unemployment like Canning Town persisted, the G.L.C. argued the case for minimum population and unemployment levels, if London is not to become socially and economically enfeebled. Various measures have been suggested and in 1973 the G.L.C. sought powers to enable it and the London Boroughs to assist industrial development in new and wider ways by giving loans and grants for the purchase and preparation of sites, provision of machinery and other financial assistance. Through the Layfield Report (1973) the Department of the Environment rejected the argument that there is cause for concern in the imbalance of jobs and labour supply and in 1974 the clause providing for wider powers over industry was

deleted from the Bill before Parliament. The G.L.C. is therefore still in a relatively weak position to act as a strategic authority on economic issues because it lacks good regular information at a local level and the powers to positively influence events.

The T.U.C.

The T.U.C. has made a forceful entry into community development in its concern that the workers of London's Dockland have proper rights of consultation over the redevelopment process. On the other hand the T.U.C. still supports the Department of Industry's policies on regional incentives and in doing so actively supports the constant process of undermining working communities regardless of whether they are in an Assisted Area or not.

The present policies of government mean that the individual problems of a high rate of industrial decline end up at the local offices of the Department of Health and Social Security. In a sense the number of people in a neighbourhood who are dependent on means-tested benefits is an indicator of the degree to which the policies of other government departments have failed. Social security payments and other welfare benefits are more than twice the rate in Canning Town than the average for London as a whole and form a high proportion of personal incomes. To argue for better take up rates of the various benefits does nothing to alter the prospects for Canning Town. In fact there is little forward planning to deal with the social problems which inevitably arise in situations of rapid change. It seems important to push for those policies which will lead towards a community which is economically viable and has no need to engage in all the inevitable degradation of means-tested benefits. Such benefits are no cure to the situation and the focus should be on prevention and an alternative approach to industrial renewal.

What is to be done?

Current industrial policy is based upon the intervention of central government offering incentives and support directly to the management of companies. Policy is not directed towards enabling the local community itself to extend its efforts to attract new industry and reshape its economic base, in the way it considers appropriate. For the most part central government does nothing to support the years of investment by a community in the firms within its area and maintain the area's viability within other locations. In fact, present policy largely adds the nails into the coffin of old areas like Canning Town, from which industry is freely allowed to move out, despite the fact that this is costly and destructive, both economically and socially.

To survive as a community, offering a viable way of life, Canning Town must secure a new economy providing acceptable jobs for existing residents and workers. To do this it must capture a share of the re-investment which companies within the area are eager to take elsewhere. The record of similar communities to Canning Town, in areas like the north-east, indicates that 30 years of regional policy have offered very little to these older areas in this respect, and the desired investment has gone instead to more attractive new communities elsewhere within these regions. In short, present industrial policy is just too crude. This would suggest that there is a need for a radical change of approach, based far more upon a local machinery, which could operate with greater sensitivity in organising local and central resources to attract new jobs. In other words the community itself needs to be able to decide what kind of new industry is needed, what new skills are wanted, what resources are required, and how they can be raised.

Left to central government alone to find an answer, Canning Town will remain as it is - vulnerable to further run down of factories and the docks, and relatively defenceless in the face of more exploitative firms and investment moving in. To avoid becoming a greatly impoverished community, Canning Town must find the resources to defend itself, to slow down the rate of decline and to renew itself. Those resources are as much the human and organisational, existing or latent within the community, as they are financial.

There are a number of factors which have helped shape the relative defencelessness of the community in the face of change. The major factor lies in the control of the local economy by outside interests and in relatively few hands. Despite the fact that several companies wield tremendous power over the lives of local people, there is no way in which they are democratically accountable to the community for their actions. This situation is compounded by the fact that the community is kept ignorant of the full impact of the scale of numerous small scale redundancies and what changes are going to occur in the future. This is because the necessary information is not collected or because the state machinery prevents disclosure of the facts which are available. Thirdly, while different local interests such as the Trades Council, M.P.s or the Borough Council have voiced their fears there has been no expression of a common

viewpoint about what should be done, through lack of any forum for such exchange. Finally, the control which central government wields over public financial resources for industrial re-investment has nurtured the belief that nothing can be done locally. This has encouraged a bureaucratic and conformist response. As a consequence of these and other factors, it would be true to say that local initiative over industrial decline has not been shared by the community as a whole and has fallen far short of comparable activity in the sphere of housing, although the loss of jobs stands as the most critical attack on the community's living standards.

Locally based interests in Industry

There are four main groups with interests in maintaining a viable community and healthy economy in Canning Town. They are the local labour movement, groups representing resident interests, the borough council and locally based management. For the most part each has worked independently and their recent perspectives are outlined below.

The Local Labour Movement

Canning Town is a locality of traditional union organisation and a high proportion of the industrial labour is in one or other of the bigger unions like the T. & G.W.U., G.M.W.U., or the A.U.E.W. In 1973 the local West Ham Trades Council promoted a counter report criticising the, then forthcoming, Docklands Study report from which local unions had been excluded from initial consultations. It stated quite clearly what the local labour movement wanted. Change must be in the interests of the local community and its future generations. Over subsequent months only the T. & G.W.U., made individual representations about its criticisms of the Docklands Study. Most other unions have no clearly formulated policy about what should happen to the area and what new work is wanted and how it could be created.

The need for closures has rarely been contested by workers in the past. Most recently the threatened closure of Tate & Lyle has led to the formation and campaign of a Workers Action Committee. The loss of 3,000 jobs would be disastrous to both individuals and Canning Town as a whole. Previous to this in 1972, in the face of containerisation, striking dockworkers called for the maintenance of their jobs but this demand gave way as one of the best ever severance agreements of £4,000 was agreed. As a result of a series of such agreements, the number of dockers in London fell from 21,400 in 1967 to 8,300 in 1974. Some dockers now regret the 1972 agreement, others near to retirement anyway feel they did quite well from it. The real point is that London's east end lost forever a very considerable slice of its former employment opportunities, and severance indirectly eased the way for the property developers who are working to change the area to non-industrial uses. Thus productivity deals leading to job losses or redundancy payments can adversely affect the interests of the community as a whole. These long term implications of job decline for the

locality are difficult to appreciate and equally to fight a closure is difficult to sustain without the active support of the community as a whole.

Local Resident Organisations

Whilst privately voicing fears over job losses, local organisations, tenants groups, ward parties, and church groups have taken no steps to raise or intervene in the local situation. Industry has been seen as the prerogative of the trade unions or government. The link between the implications of the local workplace and the future of the community have remained blurred. Yet clearly, local residents have a major interest in focussing attention upon the issues, demanding intervention and directing such steps to be in accordance with popular opinion and the local interest.

Newham Borough Council

At the turn of the century, the West Ham borough Council started a policy of industrial encouragement. It offered low ground rents and promised a relaxation of by-laws, laid on cheap electricity and offered the lowest rates in the south of England. In 1907 the Council even published leaflets in German in order to attract foreign industry. West Ham was the nearest place to the city offering good industrial sites outside the city boundary. Little of this policy was in the interests of people who came to live in the borough and the council of the day allowed some of the most noxious industries in London to set up alongside rows of houses. Most of the powers that enabled West Ham Council to give such good terms to industrialists had been taken away by central government by the time Labour interests achieved control of the council after the first world war. The interests of management were given little attention and the national policy of getting industry out was welcomed until the early 1960's. For the last twelve years Newham Council has challenged this policy.

The borough's industrial policy has centred on three issues. The loss of industrial rates has been a major concern and replacement warehousing, although reducing the area's renewal potential, has been allowed to develop. The demand for removal of I.D.C. controls on industrial development has been a major target although it is also clear that there are few refusals of I.D.C.s and far more than this is needed to attract industry back. Finally the desire to develop vacant P.L.A. and Gas Board land at Beckton for industrial development and the new Stratford office complex have been the main focus of the borough's employment policy. Both are directed towards current trends. The danger is that Beckton would attract more of the same sort of transport jobs which have recently moved into the area and Stratford would attract new commercial and business interests. The existing belts of industry from which most past and future job losses will arise in excess of Beckton's potential have been largely ignored, yet only a reversal of trends in this area of Canning Town and the creation of manual jobs which local people would like, not those which find Canning Town attractive because it is in decline, will provide an employment policy that could change the area's future.

Local Management

Many of Canning Town's firms are subsidiaries of international corporations. Any decision about the future of Tate & Lyle refinery will be taken in the City by directors controlling a company stretching throughout the world. Any decision about the future of the Standard Telephone factory at Silvertown will be taken by the directors of I.T.T.

in America. The management of such firms has no particular local interest in Canning Town's well being. Even the British government is relatively powerless to control the long term decisions of such firms. Smaller businesses tied to the local economy are in a different position. Their future may depend on the demand for local services which are in turn dependent upon local incomes. The management of many of the borough's smaller firms is represented on the Chamber of Commerce which makes representations on their behalf to the borough council. There is widespread concern amongst such firms about the area's industrial decline and a general feeling that their interests are not sufficiently provided for and a desire to find ways to exert a more positive influence over the situation.

Possible Initiatives by the Community

The commonest call of all local interests is for government to relax its present policies. However, as pointed out earlier, government policy requires a radical change of direction in which increased resources are administered locally. Resources which should be automatically available to communities when their rates of decline rise above a specified level. But to call for such a far reaching change in government policy alone, only ignores the fact that public policy follows most often in the path of widespread public pressure for change or following successful small scale initiatives. Where new services are mounted even within the public sector like the National Health Service, such as specialised hospice care, they will often have first been fought and funded by external bodies as an essential step towards eventually being taken over by the National Health Service. To achieve this requires clearly selected and practical objectives and the will and organisation to force it into being. In the same way, unless a local community can marshal its energy and initiative to confront the situation itself, nothing will happen except that it will become less and less able to do so from a position of any strength.

The relative value of alternative measures which could be adopted is linked to the extent to which they would involve a tangible change in the situation. For example, central government has frequently been lobbied to raise the restriction on I.D.C.s in London. Yet there is evidence to suggest that few industrialists are really inhibited by these restrictions. Nor is their evidence to prove that Canning Town would necessarily reap the benefit of any general relaxation. Much more would depend upon the factors which would give the area a distinctive attraction. Finally, the demand still begs the question of what would have moved government to modify its position. In contrast to this, a decision by the community to use its own resources — libraries, schools, colleges, polytechnics — to make good the lack of skills in the area, could actually produce not only new skills, around which the locality could promote itself, but it would also make necessary a process of community discussion, decision, self-organisation through which perceptions about the sort of change that is possible could develop and pressure for policy changes gain in force.

In selecting possible projects that could bring about changes it is important for general policy to be clear cut. For example proposals to improve public transport out of the area, merely with a view to making Canning Town a more acceptable dormitory, must be ruled out. Similarly, a policy of stabilising the current position fails to take account of the many thousands who have already lost the opportunity to work locally

and that an aging industrial structure can provide no long term security or prospects for the young. In short, only a policy of growth which replaces and renews previous job opportunities confronts most of the prejudices currently to be found in government policy and local perceptions.

Any policy for attracting new jobs carries with it the need to promote 'growth points' around which a new economy can take shape. In other words it is necessary for the community to bring about, even on a quite limited scale, new skills, good wages, and a successful product as evidence that Canning Town has the ingredients to make the investment by both industrialists and workers with skills required, an attractive proposition. This process is the reverse of what is currently taking place. The failure to prepare for replacement of the traditional skills of the docks and heavy processing industries with their latter day equivalent labels the working population as 'unskilled'. This label acts in such a way as only to attract low wage work into the area. As a result the area's attractions sink still further until warehousing and transport services are the major job horizon locally for those losing work in traditional industries. In setting out to promote growth, the community's initial objective may be only to create 500 new jobs at the end of a two year programme. However, these jobs would need to be carefully selected, some possibilities even rejected, with a view to their capacity to promote a demand for more jobs which are well paid over a subsequent period.

At a time when the number of industrial jobs is declining nationally and at a time of economic crisis it is not easy to picture what firms would be inclined to turn their attention to Canning Town, when plum sites are on offer up and down the country. This question spans both the general situation but also companies still established in the area, who are looking to re-invest elsewhere. A finer intelligence about the likely change and investment plans of local companies provides the starting point. Already the local study of Standard Telephones and its partial closure indicate that I.T.T. may be in the throes of major investment decisions leading to full closure of the plant. The recent study suggested that in its immediate closure plans within the plant and its re-location, the company had not considered Canning Town as one location to re-invest – but did not really know why this was so. This, and the rundown of engineering with the decline in ship repair, suggests that specific types of production in the electrical/engineering industries should be investigated. The existence of several small but growing plastic firms which will soon be looking for new premises, as they expand, are a second area for enquiry. Finally, the displacement of trades, such as furniture from the inner areas of London through redevelopment could be more effectively attracted into the area. The implication to be drawn from this brief survey is that an intensive and regular service to monitor and research such possibilities is a priority. If the community is to be fully informed, Canning Town needs to sponsor such an initiative to meet this need.

Informed about the potential of different industries and companies and the prospective wage levels and environment they might create, the next important step would be to narrow the range and select the main platform around which a local programme could be built. What such a programme would involve would depend on the support and local resources which were forthcoming. Land and labour supply are the main factors relevant to industry within London over

which the community could exert some direction.

If a community is to successfully bargain its way in boardroom decisions it has to have something with which to negotiate. The skills of its workers and the services, which as a local authority it supplies, are in our present society, its main capital. In Canning Town it is currently dropping. To secure a viable future for itself, Canning Town must change from a locality which is losing traditional skills and acquiring only a limited number of poorly paid jobs to one which is acquiring attractive new skills. Only a new economy creating a demand for better paid skills will secure reasonable wages, stability and opportunity. The Department of Employment does not provide for a local re-training service directly linked to a programme attracting selected new industry locally. Its policy may change but in the short term the resources need to be found locally to demonstrate what is needed in schools, colleges, the polytechnic and linked adult education services. The immense range of local facilities and resources is currently both un-coordinated and in effect works to the disadvantage of the community. Schools both prepare people for work which is no longer there and fail to prepare them for its absence. Steps to more skilled work are steps away from Canning Town. Similarly the institutes of higher education in the borough contribute little to the re-creation of the area's economic base and turn hundreds of qualified students out to find work elsewhere. For these individuals the chance to study provided by the community, benefits the individual but ensures no return to the community itself. The community has within its control the right to use such resources to mount projects to train local people in the new skills, and to use research services in order to attract and support certain types of industry to the area. As a major employer within the area, the local authority is also in a position to promote ways of expanding jobs for local people through traditional services and sponsoring new enterprises.

Land is also a key factor and if central government is in any way serious in its intentions for Dockland redevelopment, land values must be frozen and land made available cheaply and quickly. Loopholes in the present government's proposed legislation for the Public Ownership of Development Land, which could prevent this happening must be remedied. On the other hand cheap land in itself does not constitute a policy, nor is it necessarily a major factor for the wealthy companies already owning sites within the area. Such firms may be more interested in the availability of a site so that production is maintained. In which case the community may be better served developing its estate agent capacity to persuade a match between available sites and industrialists needs. This is not to rule out that the acquisition of an industrial site, its clearance, redevelopment and letting to a specific type of industry may be appropriate. In the past the council has been financially curtailed from such activity yet it is also clearly wrong for vacant industrial sites, such as ex Harland & Wolff to be considered for public housing simply because housing finance may permit it. At the present time huge areas of Canning Town lie derelict and unused. Within a year another major site B.O.C.M. will lie desolate and must probably be turned over to warehousing. The community must be informed as to where these sites are, who owns them, what their interests are and publicly challenge these companies with alternative proposals as to how the site ought to be re-used.

Public examination of the needs and motives of

local firms which have decided to re-invest elsewhere should be an essential feature of the community's role in challenging closures, alongside workers own campaigns. In doing so the firms interests can be made explicit, the resources needed to retain its investment can be defined and the necessary intervention, organisation or pressure raised to promote their availability. In instances where a company persists in a move which is unnecessary and against the community's interests its motives should be brought into public disrepute with a view to forcing government intervention in the situation.

The essential ingredient in the development of any local programme to provide good information and intelligent decisions, training programmes or sites etc., is the community's ability to organise itself. To date, the communication between different local interests — the unions, resident groups, the council, local small businesses and other local institutions has been informal and incapable of supporting the necessary discussion to plan and organise internal and external resources or win general support for any campaigns. Canning Town needs both a committee to coordinate its activities and a public programme to promote its debate throughout the community. In some cases such a committee would precipitate the need for new functions within the local authority. In others it might sponsor independent bodies as a short term step to institute a new service with a view, if proved useful, to their then becoming a permanent local authority service. Similarly with any public programme local libraries and the adult education service are existing means which could be developed for ensuring that the community is more fully informed. Local libraries are ideally placed for providing public scrutiny of regular research on local companies and the progress of community initiatives.

Conclusions

There are four main conclusions to be drawn from issues outlined above which support the local community's ability to find solutions to the loss of its industry. These conclusions are relevant not only to Canning Town but to other old industrial communities through the country. The first two conclusions outline the direction in which current regional policy should be changed. The last two proposals stress the two basic needs for effective local initiative — firstly good intelligence and secondly local organisation and an informed community. Together these would enable the residents and workers of Canning Town to confront industrial decline in ways which central government is not capable.

1. Local Control over Public Investment in Industry

Substantial control over industrial investment should be decentralised from the Department of Industry to local councils, together with the resources necessary to undertake this function. This would possibly involve changes in legislation. The present regional machinery is clearly too crude to administer industrial investment in ways which can take account of local social and economic factors and other aspects of public expenditure. It is generally thought that little can be done by local authorities to influence industrial investment and in the past this has been the case as far as London is concerned, but it is equally the case that very little current policy has been effective in dealing with the problem of renewing outworn industrial areas at whatever level it has been applied. For this reason there is a strong argument to suggest that if the case for more specialised and sensitive incentives is to be made it should recognise

that the local authority is the only body with the detailed information to administer such incentives and that the problem is as much to show how it could be done as to claim that substantial change is needed.

As a sub-regional authority the G.L.C. lacks the detailed awareness of the local situation and also the close relationship and control by the local community. The focus of any decentralisation of powers over industrial investment should be to the first tier local borough councils. Authorities like the G.L.C. with resources and expertise should adopt a service role in support of initiatives by local councils.

2. Grant Aid Based on Acceptable Rates of Change

Thresholds are normally defined in expanding communities and the resources required to provide additional services are generally forthcoming when they are required. In areas of decline additional resources are not automatically made available to the community even when emigration and job loss reach unacceptable rates. When the rate of job loss and industrial decline in old industrial communities rises above a specified threshold (eg. 10% in 5 years) special powers and resources should automatically become available to local authorities to help established communities maintain their stability.

3. A Monitoring Unit providing Local Information

At a local level liaison and coordination of various statistics is haphazard. Nobody is currently in a position to provide a continuous picture of local rates of change in the area. Regional authorities have failed to monitor the divergent trends of Canning Town's economy. There is a great need for a special monitoring unit that would look in great details at changes in the established industrial area of Canning Town and produce regular bulletins for the different interests in the area. Such a unit could collect and publish detailed reports on the forward planning, investment decisions — profitability, turnover and productivity of all firms employing more than 25 workers, income, income levels of local workers and residents, with a view to getting wide circulation of information and ideas of what is going on in the area. Such a unit should be able to predict developments in time for the consequences to be fully measured and appropriate action planned. An effective unit would involve a joint initiative by local councils, trades councils and trade unions, local management and the Department of Employment.

4. A Consultative Committee on Industry and Employment

Whilst the causes of industrial decline are to be found outside the area the solutions to the problems that exist must start with local interests. As a first step towards stopping the decline and beginning to regenerate the economic base of old industrial areas an effective local voice is required. A local Consultative Committee on Industry and Employment could bring together representatives of trade unions, trade council, the borough council, statutory authorities, local small business and community interests. A model for this type of organisation already exists in the South East London Consultative Committee on Industry and Employment. The function of the Committee would be to locate common demands of the whole community to promote initiatives and to focus pressure on the government for policies more favourable towards the maintenance of industrial and employment opportunities within the area. At present there is no

body which speaks for all the interests involved, although in many respects there are very clear common grounds between the different parts of the community.

Canning Town faces a continuing decline of its industrial base. Located within a region of industrial growth and labour shortage the problem has yet to win public recognition. At the same time other neighbourhoods in urban industrial areas in every region face similar threats to their existence as viable communities, although a whole set of government policies are supposed to deal with their situations. There is clearly an urgent need for the widespread problems of small urban neighbourhoods facing industrial decline to be understood in greater detail. The four recommendations outlined above suggest the direction which changes to public policy and

initiative by the community might take. At the present time no clear policy exists towards Canning Town and the unregulated forces of the market are engaged in shaping its future. If decline continues, it will become even more 'ripe for development'. Unless decisions are taken within the next few years to reverse present trends it is possible to envisage 'desirable residences' one day taking place on the sites currently occupied by Unilever or Tate & Lyle. If this does happen the Canning Town community, which has invested its working people and services in local factories, creating enormous wealth for these companies, will lose out heavily. Although more refined interpretations of the decline which is taking place may be required, the important thing as far as Canning Town is concerned is to change it. The key lies in a strategy which is locally determined and locally organised.

POSTSCRIPT

FIVE YEARS ON: 1972-77

Silvertown Way once known as the 'Road to the Empire' used to be one of the busiest roads in Britain. Temporarily closed by fire in 1977 it now leads to an industrial graveyard, a succession of derelict factories, vacant sites and half empty docks replacing an industrial area which was once central to the national economy. Traditional industries – docks, food processing, chemicals, ship repair-established in the latter half of the last century have disappeared one after another, making over 25,000 redundant in the past ten years – 9000 since 1972.

The costs of these years of rapid industrial change continue to be carried by the residents and workers of Canning Town. Built to house workers who migrated in search of work in the same firms which are now closing, rapid changes in the area's industrial structure have set off a chain reaction of economic and social consequences that is undermining every aspect of life in the local community. Unemployment has never fallen below 6% for a decade and in late 1977 stands at 12%. Within Newham 6,700 unemployed are chasing 400 vacancies. Youth employment rates are some of the highest in London. Since 1966 the community's collective income has been declining at 1% a year (excluding the impact of inflation) as a result of the loss of higher paid jobs in the traditional well unionised sectors. There is no market for the special skills of dock workers and processworkers and lower paid service jobs is the main alternative.

It is now six years since the first £800,000 Docklands study was set in motion, and ten since the first upstream dock was closed by the PLA. Long lasting dereliction or a new middle class suburb are still threats, but a further and less obvious threat is also to be found in the very realisation of new industrial investment. Unlike many old industrial towns with few prospects for industrial re-investment it may well become a viable option in London Docklands. The dangers now lie in the fact that it may only materialise in ten or twenty years time; the present delay having 'softened up' the area, eroded the trade union base and allowed such investment to be implemented totally on terms dictated by the interests of capital, in no way reflecting the demands of the present workforce as to what kind of re-investment is acceptable.

To understand this continuing threat of further rapid decay since 1972, it is necessary to recall why Canning Town was built and became profitable for private capital and why this industrial capital has

eventually cut loose and transferred its investment elsewhere to newer and more profitable growth areas, whilst Canning Town itself attracts new kinds of investment. This short historical overview from 1846 up to 1972 is then followed by a detailed account of economic changes over the last five years 1972-77, the social costs to the community and the resistance and 'remedial' measures which this has prompted.

Historical context 1846-1972

When Canning Town was built over a hundred years ago most of the industry which came here was in a growth sector. Shipping was increasing at an enormous rate. The gas works were booming. The sugar trade was expanding rapidly. It is no exaggeration to say that for private capital, Canning Town was a boom town from the 1860's until the first world war. The decline of the local economy since the mid 1960's, despite its apparent permanence and "immovability" according to the 1944 Abercrombie plan for London, is rooted in the changes which began soon after the turn of the century. It was then that investment slowed down and older industries were already showing signs of falling profitability in the face of increasing foreign competition and growing organisation and militancy amongst Canning Town's casualised workers as vital strikes by gasworkers and dockers in the 1890's secured better working conditions. By 1909 the numerous dock companies exhausted by disastrous competition through overprovision of docks along the Thames had been effectively nationalised as the PLA. But it was after 1914 that Canning Town's economic structure experienced major structural shifts in the organisation of capital. By 1939, successive mergers and takeovers had already given rise to an economy in which control was highly concentrated as part of a painful restructuring in the face of deep recession and falling profits. It was at this time that the refineries of Tate & Lyle which had survived intense foreign competition through gentleman's agreements' over the share of the home market, eventually merged in 1921. Similarly, Unilever brought four local firms under their control John Knight (1920) BOCM (1925) Silcocks (1937) Loders & Nuoline (1929)

in an aggressive expansionist policy. The same process was true of shipping, flour milling, rubber and cable manufacture and chemicals.

Growth of Multi-Nationals

Canning Town was therefore, the early starting place of several multi-nationals – Tate & Lyle, Lamson Industries and Vestey's. It played a substantial role in the growth of Unilever, P & O and to a smaller extent in I.C.I. As the neighbourhood itself was built to house the thousands of workers who migrated here in search of work and opportunity a hundred years ago, the labour invested by the local community can be fairly said to have generated the profits and created the surplus upon which the growth of such companies rested. In the initial phase it was the development of vertical control over raw material production in Africa and elsewhere, of plantation and trading companies. As with Tate & Lyle this was followed by control of shipping lines and means of transport and distribution. In the case of Vestey's (meat shippers) there now exists continuous control over a major share of the Meat Market – from the "hoof to the table" through their control of ranches, shipping and the high street outlet of Dewhursts. Such vertical control brought monopolies and price control on which they prospered. Equally important is the fact that by the 1920's and the beginning of declining profitability they had secured the means to diversify into new growth sectors.

Transfer of Investment

Such reinvestment by firms with roots or major interests in Canning Town in new growth products took place not in Canning Town but in North and West London such as Park Royal, Wembley and Southall where the availability of ex-government munitions factories played a major role. Unilever acquired food producers such as Walls Sausages, ice cream and chocolate factories. Lamson and Paragon took over Funditons in Wembley in 1928, a significant step in the build up of its multi-national printing equipment empire by the 1960's. STC opened plants in Southgate and Enfield.

In contrast within Canning Town the most significant sources of new capital investment after 1910, as growth tailed off, was the local authority. 'New electric power' was advertised in anticipation of the national grid as an attempt to retain the area's attraction as industry became free of coalfield locations. The borough published leaflets such as "West Ham The South of England Factory Centre." The Silvertown Way was completed in 1930-35 and the East Ham By-Pass to Tilbury in 1932 significantly pointing to the expansion of London and the advent of new industrial areas springing up on the periphery of London much the same as Canning Town had done 80 years previously. It was the era of Heinz, Nestles, and Hoover in West London and Fords transfer from Manchester to Dagenham in the East. Similarly the period after the second world war extended this process with the active intervention of the state through decentralisation, new towns' policy and regional industrial controls. Throughout the 1940s and 1950's, companies

represented in Canning Town opened up new factories elsewhere. STC developed a new plant at the wartime shadow factory of Newport and at Harlow and Basildon New Towns, I.C.I. plastics in Stevenage, Unilever's Stork Margarine in Bracknell. Tate & Lyle diversified into new sectors like transport which are now far more important than home sugar refining.

But with a tradition of organised militant trade unionism from the late 19th Century onwards workers in Canning Town's docks and refineries still remained at the forefront of the struggle to increase labour's share of profits. With the post-war boom and fifty years of organised struggle the 1950's finally bought rising incomes and full employment. It was to be shortlived.

1966-72

From the beginning of the 1960's the consequences of the highly centralised control of the local economy of Canning Town created in the 1920's rapidly took its toll. For over forty years major re-investment in new technology had gone elsewhere seeking more profitable locations. It was precisely because these national companies like P & O, Unilever, Tate & Lyle ITT, Vestey etc, had been so successful at making profits that they began to leave the area, cutting their links with Canning Town. In fact it is the smaller firms making a small profit which are most likely to stay or move into Canning Town simply because fewer options are open to them – they don't have the capital for brand new factories and the most modern equipment.

Between 1966-72 Canning Town lost 17,800 – nearly a third of its industrial jobs. Almost one out of two workers were made redundant. The number of jobs declined twice as fast as people left the area. For every three jobs which disappeared only one new job was created. Figs. 19-22 summarize the broad trends and Fig. 23 illustrates how just six major companies were responsible for redundancies.

Because control of Canning Town's economy had already become so centralised in the 1960's was not so extensive. Major corporations which took over local interests included Tube Investments (Aluminium Foils) and BTR (Silvertown Rubber) Slater Walker (Greengate & Irwell). Mergers were more common eg Spillers – French, Rank Hovis McDougal, BOCM – Silcocks. Shipping moved closer to finance capital – P & O Steamship Co. took over Bovis and Cunard was taken over by Trafalgar House Investments. Vacated industrial sites also increasingly came under the control of finance capital – Capital & Counties Property Co, Trafalgar House, Gredley Estates, J. Levy and various consortia in which industrialists retained an interest.

The major new employer was the Post Office overseas Mail Sorting Office (1200 jobs) It resulted from a planning error by the Post Office who anticipated movement of mail through the docks. All mail is now transported across London to Heathrow Airport. Over 100 other new firms moved into the area. But between them created only

3,800 jobs compared to over four times that number lost through closures. Concentrated in a small scale manufacturing and distribution the average employment was small and wages low.

Although nothing quite so dramatic as the AEI

closure at Woolwich occurred, the decline had been enormous. In late 1972 it resulted in major industrial confrontations in the docks. In other industries in which three quarters of all industrial employment lay, the growing threat from collective impact of isolated closures began to emerge.

Resistance & remedies

Without a Sound Economy how does a Community survive?

As the economic role of an area changes over time so the basis of the local community is transformed and once important industrial centres are shifted to the periphery of the economy. Unlike working class communities nearer the City where both jobs and homes were swept away in the 19th century to be replaced by commerce and white collar workers, jobs are disappearing faster than people from Canning Town. The patterns of investment in housing and jobs since the war are widely differing. With 14,000 homes destroyed during the war a huge programme of slum clearance and redevelopment has resulted in a housing stock which is now half council owned. While internal population changes are taking place and the population structure is being modified by both the housing market and economic decline, a large working class population of 40,000 is still maintained. Progressive economic change and the social costs and consequences of that decline pose the question of whether this population can continue to survive and if so whether its survival will mean a *viable* community.

Investment pressures arising from docklands redevelopment still mean that, given the right political circumstances it is in theory possible for East London's working class communities to be replaced by a middle class population or the existing class structure to be considerably modified by the creation of a middle class suburb in its midst at Beckton, submerging the interests of existing residents. However the question is probably more immediately and realistically posed as *on what terms* can this community survive the process of rapid capital withdrawal, extensive redundancy, loss of skills, lower personal and community income, the migration of those who seek better prospects of jobs and housing in newly developed areas, the lack of resources in the public services education, health, public transport and social facilities and so on.

Underdevelopment means the break up and demoralisation of the labour force and weakening of labour organisation paving the way for capital to use the area in the new ways described earlier. A new economy is growing up and replacing the one that lasted for a century or more; It is one in which few

workers are required. The concrete realities of this economic change in Canning Town since the mid-sixties and intensified over the period 1972-77 have meant lowered living standards, threatened expectations and traditional identities particularly for those with established roots. One scenario is the prospect that Canning Town will become a less and less attractive place to live, a residual housing resources for those with a restricted choice or access to anything better. However, this tends to rely on a static view of the population. In the pressure of London's housing market, homes left empty mean a new incoming population. To immigrant workers Canning Town means access to better housing and expectations of new and possibly better opportunities. The emergence of effective structures of political representation and new forms of union organisation to defend and expand these new interests within a changing economic base are still in the making but offer a positive development.

What has been done?

The progressive underdevelopment of Canning Towns economic base posed the question of what could be done to defend the area, slow down the rate of decline halt closures and direct re-investment on terms acceptable to the local community. The strategies of the labour movement, Newham Council and central government are assessed below.

The local labour movement

The existing organisations already controlled by local people or the formation of new ones are the main routes to any action to change the patterns of capital withdrawal and re-investment. The fulfilment of the depressing predictions made in 1972 suggest that the years since then have been years of defeat for the labour movement in Newham. Jobs have been lost through natural wastage, early retirement and redundancy agreements with until too late, little overall sense of crisis that the local economy was

collapsing. Newham workers were too well organised to be pushed around at will, yet not powerful enough to assert demands for a viable economy in docklands. Whilst recognising the validity of this analysis, the years 1972-77 can also be seen not just as a series of defeats but as incorporating stirrings in the growing struggle for control over investment. The most significant events over the five years are briefly recorded below.

The Royal Docks

The dockers response to the employees attempts to circumvent registered ports and the use of non-registered dockers was militant strike action in 1972 and 1975. The arrest of 5 dockers, the threat of a one day general strike by the TUC and the eventual appearance of an 'official solicitor' to bail out the government are now part of labour history. The Royal Docks and Chobham Farm container depot at Stratford became the focus for a national dock strike in which the militant leadership was drawn from Canning Town's Royal Docks. The 1972 dispute produced the Jones-Aldington Report and several hundred jobs in container depots – not enough to compensate for the loss of thousands of jobs in the docks. The militancy basically succeeded in securing a major increase in severance payments to £4000 as a method of buying out dock workers one by one. It has subsequently been raised to over £5000 to secure further retirement and reduction in numbers. At the outset however, strike action sought to retain jobs and exert control over the withdrawal of capital recognising the importance of such action for current and future generations. Because so much had been promised and so little gained, militancy amongst London dockers had remained high. The 1975 strike was an attempt to get the Dock Labour Scheme extended to unregistered ports like Felixstowe and container groupage depots. Michael Foot promised the "five mile corridor" but this proposal vanished in the parliamentary battles of 1976-77. However, the cost to the Royals has been high, with the 1975 strike used as a basis for further closures. The situation of dockers in Canning Town remains perilous. Closure of the West India Docks in 1976 was repealed after a sustained public outcry. Whether this will prove to be a step by the PLA towards a campaign to create an either/or situation between the two groups of docks and dockworkers remains to be seen.

Docklands Study – 1973

In February 1973, the West Ham Trades Council published a report 'The Docklands Study?' in which it denounced the proposals for docklands redevelopment in advance of their publication. A conference called at East Ham Town Hall was attended by 500 delegates representing unions, resident groups, councillors, M.P's and launched a campaign of protest against the plans particularly the acceptance of the rundown of industry. It was to be one of the earliest salvos in the rising wave of distrust and rejection by local residents and workers throughout docklands. However, subsequent activity was directed largely towards lobby tactics rather than an energetic grass roots campaign. A token consultative committee was set up by Newham Council. The formation of Newham Docks Action Group, sponsored by the West

Ham Trades Council, democratized the base of this structure but did not sustain an active programme locally or a stronger Newham presence within the Joint Docklands Action Group & Docklands Forum.

Newham Action Committee

A conference 'Jobs in Jeopardy' called jointly by West Ham Trades Council, the London Co-op Political Committee and Canning Town CDP in June 1975, drew together a cross section of shop stewards from most of the larger companies and political groups. At a recall conference 'Newham Prosperity or Decline' held at the Theatre Royal Stratford, the Newham Action Committee Against Closures was launched, based on a delegate structure of local trade unionists, tenants associations, transport, health and education workers. The linking of trade union and community interests reflected the importance of the economy to every aspect of life.

The Newham Action Committee has given practical support to many local struggles, particularly the STC Action Committee and the successful strike by cleaners at the North East London Polytechnic over the existence of asbestos dust. It has actively supported attempts to unionise Asian Workers in Spiralyx, organised the first major public march through Newham against unemployment drawing strong support from the Indian Workers Association at the peak of the racist outburst in the summer of 1976, attacked the local council over the redevelopment of the Harland & Wolf site for housing by the GLC and attempted to open a day centre for the young unemployed.

A further recall conference produced papers on industry, racism, health, education and transport to be published more widely in 1977. On industry, it sets out a programme necessary to halt industrial closures and a trade union policy for jobs calling on central and local government to undertake specific action through the NEB, planning agreements, extending direct labour schemes to create new jobs. The energies of the Newham Action Committee have been primarily directed towards nurturing links between the more active grass roots of the labour movement and avoiding the limitations of merely lobbying for policy changes upwards, through political structures like the council, M.P's etc. Its radical stance has narrowed the base from which sponsorship has been drawn, underlining the difficulties of building the necessary broad alliances and a wide political base in the labour movement around a programme of grass roots activity. It has however, built new links with the least organised sectors of the local workforce, particularly with the Indian Workers Association.

STC Action Committee

Official union opposition to the early rationalisations at STC focussed on higher redundancy pay rather than the long term implications of the lack of reinvestment in new technology. It was only with the announcement of full closure in Dec. 1975 that younger and more vigorous shop stewards called a mass meeting to fight the closure, form an Action Committee and plan a campaign to secure new orders for paper cable. One of its activities was to publish 'STC Workers Fight

Closure' with the support of the Newham Action Committee. The pamphlet gave a history of the company's statements and denials, and costs to the community of closure. It was widely circulated to local trade unions and other STC plants and the local community was also leafleted. It was taken up by the press and television and the latter were threatened with legal action for comparing company statements and denials with the growing body of information pointing to closure. In the final event, faced with the companies carefully laid plans and despite the Action Committee having created considerable support from a broad base of local unions branches and residents groups, the closure plans went through. Nine months later, shop stewards got no support in a rearguard fight to put off the closure date as workers feared losing their improved redundancy payments.

Outside the docks, STC was one of the few industrial firms to meet with resistance to closure. The reasons why this resistance collapsed are common to other firms like BOCM where resistance essentially focussed on the terms of the redundancy. The same also applies to the major rationalisation of Tate & Lyle in 1968 although current attempts to restructure the sugar industry have given rise to the Tate & Lyle Action Committee, linked to other refineries in the company and has, until July 1977, resisted further rationalisation without replacement on a job by job basis.

Workers in companies like STC, Tate & Lyle, BOCM and also in the shipping and stevedoring concerns have a long history of trade union organisation reflected in the relatively higher wages which these companies have had to pay. The consequence has been a high level of experience in bargaining over wages and conditions. The problem of resisting closure, preserving jobs or difficulties in finding alternative employment is relatively unfamiliar.

Workers threatened with closure face many problems in trying to organise resistance. Firstly, because access to information is denied or is misleading adequate advance warning is inhibited and without adequate information it is difficult to know what demands to make. Secondly, the closure is often prefaced by a slow run down and it is more difficult to organise resistance to natural wastage than redundancy. Often too, companies try to make bargains with the unions with a cut back in jobs linked to productivity schemes, new shift systems and increased wages. Thirdly, redundancy pay is very alluring. The progressive rundown may have emphasised a bias towards older workers and after twenty years of hard work in demanding and unpleasant job redundancy is attractive. Finally, where companies have factories in different areas Management play one off against the other preventing the development or maintenance of the necessary combined organisation. Information is essential.

However, information was available to STC workers two years ahead of closure, which pointed to concrete signs of major rationalisation to come. That the union leadership failed to act on it until too late, underlines the wider difficulties and while information is essential, its potency lies in the capacity to organise around it. Recognising this the availability and source of relevant information raises interesting questions.

The Action Committee received its most useful information from local sources like Newham Action Committee and Canning Town CDP. In the course of the struggle it was evident that even a union like TASS with one of the largest research services available currently, could not apply investigative resources to local plant other than in exceptional circumstances.

The same applied to the role of the local council. These conclusions are born out by the views of the chairwoman of the Action Committee, who whilst emphasising the importance of the full time union organisers in supporting the resistance to closure, acknowledged that there had been no expectation of the union to supply the kind of detailed investigations of the company at the local level, which proved extremely vulnerable in their opinion, in presenting the public spectacle of a "shameful record of industrial guilt made far worse by the fact that some of the management are liars" (Stratford Express December 19th, 1975). Similarly with regard to Newham Council the view was "I don't think we're getting enough support. . . from the council I really dont".

Low Wage Firms

Organising workers in these trades has presented an intractable problem for the trade unions. Responsibility for recruitment usually rests with full time officials whose time is already taken up. Where organisation has been successful it has usually been through a combination of local trade unionists, community organisations and the appropriate union. Spiralyx (1933) became a priority for the local labour movement in 1975. Since the company moved into Canning Town the furniture unions (FTAT) attempts to recruit members has resulted in angry and open confrontation with management, but despite considerable success in getting compensation for its members through the courts the union had failed, to establish a base within the factory. During 1975 and 1976 a series of attempts involving union and community interests was made to unionise the workforce, 80% of whom were Asian and many were recent immigrants. A detailed review of this campaign is to be found in Spiralyx (1933) Ltd.(1) Leaflets in four languages were distributed and meetings called. Successful pickets by the union and West Ham Trades Council attempted to broaden the union base. A shop steward was elected. Management counter-attacked, sacking workers. The fragility of the organisation was exposed particularly the problems stemming from the lack of communication between different language groups. Some improvement in wages followed but membership remained insufficient to form the basis of collective action.

The difficulties of attempting to organise in this factory and its relevance to the growth of other unionised firms, must take account of the attitudes of factory management, the difficulties of a workforce divided by different campaign groups. But that said "there are serious questions raised about conventional Trade Union Methods of organisation and approaches from outside that are narrowly restricted to the issues of wages and conditions —

(1) Spiralyx (1933) Ltd. CDP fourthcoming

the organisation of Jewish garment workers at the turn of the century, and contemporary struggles around Imperial Typewriters and Grunwick Film Processing Ltd., — which fuse Trade Union Organisation with wider community and class struggles. It is clear that if progress is to be made in factories like Spiralyx (1933) Ltd, alternative strategies will have to be found.”

Newham Council

Newham Council has periodically voiced its opposition to the movement of industry out of the borough, but it has always defined its powers to modify the situation in the limited and negative terms of land use planning. Relative to housing, local authority access to resources and powers over industry have been limited, particularly in the “prosperous South East”. In Newham this has pushed the local economy to the background of political discussion and has been reflected in the infrequent and bland reports produced on industry. Until recently few Councillors were trades council delegates. Industrial and political struggles have been seen as separate with little tradition of trade unionists bringing influence to bear on the council on industrial matters.

The years between 1972–77 have seen a growing demand by local authorities for more industrial powers, although claims for increasing control over the movement of capital rather than the means to merely provide infrastructure have been restricted to a very few councils with a fuller political and economic analysis such as Tyne and Wear and Wandsworth Councils.

Newham Council has responded locally to the growing barrage of demands for signs of a more active council presence on industrial issues but it has been within a largely conservative framework. Its strategy was first set out in ‘Industry & Employment’ (Sept 1974). This report included the following observations on industrial re-growth — land in Beckton (within the Docklands Study area) offered the main chance of creating new job opportunities, sea and airport developments at Maplin could have a beneficial affect on Newham’s economy, modification of IDC policy was of critical importance, the area suffered from a lack of a large pool of suitable labour required by modern growth industries. As an industrial strategy it was narrow and incoherent, lacking any mention of the major employers still existing in the area and their future policies or the council’s role in supporting trade union action to halt potential closures and control re-investment. No criteria was laid down as to which firms would be discouraged with the implied policy of accepting jobs on any terms regardless of the rates of pay offered. The perspective on Maplin is naive and reflects the lingering belief that jobs gained through a spin off effect in warehousing and road transport would benefit the borough despite evidence to the contrary. Few IDC’s have been refused. Finally with borough unemploy-

ment running at twice the national average creating a more than adequate pool of labour, the report fails to acknowledge that industrial capital itself determines the skill structure of the population, both in terms of the long term security it offers to attract skilled workers and the internal training schemes a company of any standing runs to train its new workforce.

Beckton

The council has pursued its Beckton proposals with vigor. A 185 acre industrial zone with potential job creation capacity of 7,500–9,400 jobs has been outlined in the Beckton District Plan (London Borough of Newham 1977) although the Gas Board has yet to agree to release the major part of it for development.

In 1975, Country and Suburban Properties Ltd bought 63 acres for development as the ‘London Industrial Park’ and aimed at light industrial factories. It has received active sponsorship from the council. It is too early to clarify whether the usual claims for a jobs “bonanza” have been realised or whether in common with most such developments, once built the space is being indiscriminately filled by warehousing and light industrial uses creating few jobs and paying low wages. Difficulties in filling the units at current rents has been noted.

The limitations of an employment strategy concentrating solely upon the creation of new industrial estates and ignoring the interests in the traditional sector has been underlined by the councils role in several industrial situations and initiatives which have arisen between 1972–77.

‘5 Mile Corridor

In July 1975 local councillors and trade unionists were worried that the council was being drawn into anti-labour policies in its desire to reverse the economic decline in the borough. Reports by council Chief Officers to two meetings of the Policy and Resources Committee suggested that the areas general reputation for industrial militancy and particular proposals to rationalise the dock labour scheme with the instigation of a ‘5 mile corridor’ would deter potential employers from moving into the area.

The Director of Planning’s comments to that effect were widely reported and included in the official response of the council to a Docklands Committee report on industry and employment. It was subsequently raised again following an approach from the Waterside Manufacturers. What worried local interests like the TGWU 1/6 Docks Branch was that it supported “efforts to turn back the clock in respect of wages and conditions in the area as a whole, which will be detrimental to all organised labour in the Borough. If those who support their beliefs feel that work must be returned to the area at any price, even to the extent of cheaper labour and deteriorating conditions, it can only be assumed that the interests of local workers is not their first concern.” (Canning Town Inside Out Oct. 1975)

STC

In January 1976 Senior councillors offered their own verdict on the council's handling of the situation which led up to the company's complete closure of the N. Woolwich factory: "STC made us look idiots" (Stratford Express Jan 16th 1976). In the first instance STC's plan to build a new factory at Greenwich needed the approval of Greenwich Council, the Dockland Development Application Committee and the GLC's East London Area Planning Board. Not only did it receive this agreement, Newham Council did not submit an objection. On the 14th March, Newham's Borough Planning Officer attended a meeting with STC's directors, it was explained to him that "the transfer of approximately 500 employees from Newham to Greenwich had been planned over a long time and there was no question whatsoever of any rundown in the cable making plant involving 1100 employees in the factory and 300 operatives in the field". The Borough Planning Officer subsequently confirmed "We are satisfied with the situation", and gave the go ahead for the application for development at Greenwich to be processed without objection.

In a letter to Canning Town CDP Oct. 1975 the comment by the Chief Executive that "it was clear that the council could not oppose the move to Greenwich with any hope of success" begs fundamental questions. A subsequent announcement by STC of 250 redundancies in cable production came six months later, after which the council sought a top level meeting with the management where assurance of continued production were accepted. The Chief Executive notes "At the same time local authorities have to be realistic and recognise that their role in industrial affairs is limited when compared to that of industry itself, the trade unions and Central Government. When the cause of a firm's difficulties is falling demands for its products or other basically commercial reasons there is little a council can do other than try to mitigate the consequences to the local community".

Full closure of the plant came three months later. During that time the council ignored the well researched predictions of STC intentions and did not seek any contact with the union representatives. Newham Council did not deliberately further the interests of STC but succeeded in doing just that by default. For the Council have taken up a sensible position, it was necessary for them to have talked to the unions at STC, as well as the management, and drawn upon sources of information which the Council could itself compile independently to form its own view. Had the council done all three instead of merely talking to management at STC, STC's statements would have been received more critically. As a result the council acted too late and without sufficient insight into the policy and manoeuvres of a multi-national concern.

Spiralynx (1933) and Newham Careers Service

In December 1974 three young girls from Pakistan signed on at the Social Security Office. They turned down the offer of a job at 50p an hour in Spiralynx

and had their benefit cut off. Their appeal against the decision was upheld and prompted an investigation by the Newham Careers Dept in September 1975 who took an admirable clear cut stand on the issue. The firm had approached the careers office asking for young employees and, because of its reputation, a visit was undertaken. The report was highly critical and drew attention to hazardous working conditions. It concluded "the firm is looking for young people who are prepared to work hard. I think in view of the above comments on conditions, I would not advise sending young people to this firm, or at least we should spell out to them exactly the kind of work they will be doing and the kind of conditions under which they will be working". (Careers Office Report 17/9/1975) The Careers Office adopted the reports recommendations.

Industrial Development Officer

Although talked about for many years such an appointment had been impeded by lack of agreement by Chief Officers over which department should control it. In late 1976 an I.D.O. post under the control of the Chief Executive was established. The person appointed is a former small industrialist. The appointment reflects the ambivalence of the council's policy over industry and concern to appoint someone "who can talk to industrialists". His role is defined within the framework of developing Beckton and other new estates, attracting industry and jobs regardless of reputation and potential to create acceptable skills and wage rates. There is no policy brief or perspective about developing the council's role vis a vis the trade unions. Instead the IDO has pursued joint discussions with Manpower Services, N.E.L.P. Chamber of Commerce to the exclusion of direct contact with the trade unions.

Neither the growing recognition of a role by local authorities over industrial development nor critical blunders such as those over STC have pressed the council into actively supporting the local labour movement with a more realistic perspective on industrial issues. The Council still has no committee structure of accountability on industry and employment despite broad opinion voiced to that effect. It has remained aloof from co-operative structures on industry which would require association with local trades councils and unions as well as local business and government departments to discuss policy publicly. Proposals voiced by local interests to sponsor more effective means of gathering and publishing area based information, refocussing educational resources, arguing the case for greater local control of industrial policy, negotiating local planning agreements or mounting public enquiries and social audits into firms like STC, have all gained little ground. Despite the opportunities and ideas debated, the borough's employment programme, still proceeds largely on terms of how to service the interests of employers, making little contribution to the central question of controlling the movement of investment.

Central Government

The response of central government to the structural charges has been governed by two contradictory

threads of policy. First, and most dominant, has been policy stemming from the natural economic crisis. Government policy has been to encourage the rationalisation of private industry while at the same time reducing public expenditure and public service jobs. The effect has been to accentuate the pressure on Canning Town's economy, taking firms out of the area and driving up the unemployment rate. The main ameliorating measures, limited job creation measures and on improved communication between DE job centres through computer linkage, have had a marginal effect.

Against this, the second stand is the limited investment in but extensive, publicised debate on the decline of the inner city with its determined lack of analysis and seasonal fashions in solution. 1977 has seen the recognition of the small entrepreneur as a potential saviour of the inner city but, as councils start to build factory units to house him, there is no reason to believe that he has the key to prosperity any more than his predecessors on the scene. Indeed it is the unwillingness to attempt any serious economic analysis that marks the inner city debate as a search for cosmetic delay.

'The Urban Problem'

In 1972 the earliest studies of economic decline in this small locality of East London were received with marginal interest, certainly not enough to elicit sponsorship for further locally controlled monitoring of the industrial situation. Five years later, has seen a major shift in current fashions in national policy. This now takes for granted the importance of the local economy. — even if the recent reports of the Dept of Environment Inner Area Studies indicate that it is little better understood.

The remedial measures relevant to Canning Town are best assessed in the context of the Joint Docklands Committee and the place of London's Docklands in the government's proposals for the inner areas. The plan produced by the Dockland Joint Committee 1976 emphasises how vital it is to restore a viable economic base for the area. It points to the symptoms again; the heavy loss of industrial jobs, high migration, high unemployment, ever increasing amounts of vacant industrial land. In order to offset further loss of jobs says the committee the authorities must prepare enough industrial sites, mainly on three large estates to provide 30,000 industrial jobs. The plan also gives emphasis to the alleged shortage of skilled workers and proposes owner occupation as a means of reassembling the population needed by a new industry

The preoccupation with efforts to provide a new physical infrastructure re-inforces Newham Council's policies for the Beckton Development and reflects the main concrete product of the inner city debate as outlined in the Government's White Paper Policy for the Inner Cities.

The policy basically resembles those tried for many years under regional policy; i.e. that the problems are marginal and peculiar to particular spatial areas whilst in general things are fundamentally alright and normal. It enables areas to be selected out for

token treatment as in May 1977 of £83m additional grant for construction work in which London's docklands received £17 million along with five other locations. The specific allocation of £5 millions to Lambeth reflects the particular favour with which this Inner City report has been welcomed in professional circles if largely ignored locally. It prompted the Prime Minister's contribution to the debate that the inner city economy was being "wrecked by planners" (1) reviving small firms in their enthusiasm for wholesale redevelopment. It also underpins the growing debate that most Londoners want to leave London and policy should be directed towards that end. (2).

Economic Policy

The whole Inner City debate has been carried on with only token reference to wider economic trends and policy. Yet the two developments are closely connected. The events which have been shaking older industrial areas like Canning Town for a decade or more are the end product of a much wider process of economic change and re structuring of British industry.

The period since 1972 has coincided with further attempts sponsored by the Labour Party NEC, to extend more real public control over economic development and the activities of the major multinational companies under the auspices of the National Enterprise Board and through a system of indirect controls. The latter would have included the take up of public controlling share-holdings in leading firms, the enforcement of planning agreements between government, unions and employees the right of unions to have information on forward strategies. Planning agreements would have covered such areas as forward investment programmes job creation and location, technological development export programmes and pricing policies. In other words the combined system would be for the first time have begun to offer a public enterprise system with some power but at the same time accountable to workers and others whose livelihoods depended on it.

Whatever the inadequacies of such proposals they did recognise that the 'regional' and 'inner city' problems were themselves products of a certain mode of capitalist development, and that it was inadequate to deal with them by merely re-jigging varieties of incentives or by positive discriminatory practices. Planning the infrastructure whilst leaving the underlying industrial and economic structure to the whim of the private enterprise has been proved to be no solution.

Between 1974 and the present such measures have been reduced to tattered remnants of the original ideas: a planning agreements system which is totally

(1) Sunday Times Jan. 30th 1976

(2) D. Wilcox/Thames Television — London The Heartless City, 1977

voluntary and only used once so far (Chrysler U.K) a heavily constrained National Enterprise Board with the rationalisation of companies in its brief. There are no requirements for firms to disclose information removing the provision for growing social accountability. The kind of strategy put forward – in the original NEB and planning agreements system has been relegated to a subservient role in the 1975 Industry Act. While

the government invents with one hand ever more special programmes, with the other it abandons the very policies that offer hope to areas of rapid industrial decline. Solutions lie not in measures which tinker with housing and labour markets, nor population dispersal policies or special development agencies but measures designed to control the activities of capital in the social interest.

Changes in the economy

The events of 1966-72 were signs of a deep crisis in the community's economic base. Local fears were growing. This was recognised in three key reports on the local economy; *The Future of Dockland* West Ham Trades Council (Feb '73) 'Canning Town to North Woolwich: The Aims of Industry?' Canning Town CDP (Nov. 73/Jan.75) and 'Jobs in Jeopardy' (1) CDP (June 1974)

Together these reports established the precise character of the changes since 1966 and posed three critical questions for the future. Would the multi-nationals still remaining and controlling the bulk of jobs left in the area (STC, Tate & Lyle & PLA alone controlled nearly 40%) also withdraw their investment from Canning Town?. Would the inflow of new investment and finance capital offset that loss?. (Would docklands redevelopment and the launching of the 1971 Docklands Study pose further fundamental threats to the viability of the community's economic base?.

The three reports together estimated which firms and which industries were most likely to run down or close; the scale and acceptable terms of industrial re-investment required; the implications of proposals for docklands redevelopment on industry; the possible direction of effective strategies to defend jobs rationalisation and closures which offered no guaranteed replacement of jobs by the companies concerned. Close analysis of the current policies of companies enabled detailed and confident predictions of their future intentions to be made public.

Predictions

It was estimated that without an effective strategy for defending jobs local industrial employment would be reduced by a third over the period 1972-80 i.e. a rate comparable with losses over the previous six years. This meant a loss of 10,000 more manufacturing jobs and a further rundown of 3-4,000

(1) Published as a draft 'Industry and Employment in Canning Town, and re-published Canning Town to North Woolwich as Aims of Industry? Jan 1975.

jobs in the docks – a total of 13-14,000 by 1980. (Fig 40) Finally these were net figures i.e. they took account of new jobs being created at around the same rate as for 1966-72 of 1 new job to 3 lost. In other words such rates of change would mean nearly half the local industrial workforce being made redundant.

These predictions were not blind projections forward of past rates of change. They were based on and accompanied by a list of key firms whose long term commitment to staying in the area was publicly questioned. (Fig 37)

The list included STC, Tate & Lyle, Spillers, Rank Hovis McDougall, Green & Siley Weir, Courtaulds, Amoco, Hollis and others.

Redundancies Denied

Such attempts to predict future actions by key firms received wide circulation locally. They brought various reactions: welcomed by some, threatening to others; irrelevant and dismissed in some quarters. It prompted public debate about the rate of decline and the critical issues of re-investment on a job by job by companies which were not "dying", merely transferring their investment elsewhere at the expense of the residents and workers of Canning Town.

Industrial Corporations named in such reports were provoked into public statements, denying the validity of such predictions and angrily denouncing the authorities responsible (Fig 38) In contrast, the trade union movement responded with interest, whilst the publication of such forecasts was more often perceived as a provocative by Newham Council.

Predictions Vindicated

Four years have elapsed since these earliest predictions were publicised. It is now possible to measure them against reality and to assess whether they were wild and irresponsible statements or the kind of advance warning which workers in every local industrial area require. There are several ways of forming such a judgement – what were the rates of industrial change 1972-77; what has happened to specific companies; what have been the costs to the local community?

Major industrial closures and rationalisation since 1972 are listed in Fig 39. Together they already

REDUNDANCIES at one of Newham's biggest companies are almost inevitable, warns a report out today.

More than 100 women work on undersea cable repeaters at the Henley Road, North Woolwich, works of Standard Telephones and Cables.

Over the next five years this work will be transferred across the river to Greenwich — and STC has no plans at present for the factory space that will become empty.

No mention is made of the job prospects for the other 2,000 people employed in Newham by STC, which is part of the American ITT Corporation

The shock report is prepared by the Community Development Project, which backs Canning Town community project and other similar schemes in run-down industrial areas.

Its author, Nigel Moor, says in view of the high unemployment in the district.

Future is grim as jobs vanish

OVERALL there seems to be little likelihood that the ratio of three jobs lost to one created over the past six years up until 1972, will alter in the future.

If this is the case Canning Town faces a long decline in employment prospects within the borough and low wages.

The general conclusions reached are that by 1980 the 28,500 jobs existing in

the River Thames. In 1972 this area had 9,500 jobs.

● The decline in industry alone would result in a gross loss of 10,000 industrial jobs — a decline of 35 per cent or two thirds of all manufacturing jobs if considered separately.

Vulnerable

If, during the same period, the Royal Docks are partially closed the decline in the number of jobs reaches the staggering figure of 46 per cent.

If new jobs are crea

Fig 37 Predictions of job losses & closures

Source: The Express, 12 July 1974 24 Jan. 1975

Jobs in jeopardy — report is denied

THE North Woolwich firm of Standard Telephones and Cables this week denied comments in a recent report that employees jobs were in jeopardy.

The report, prepared by the Community Development Project, warned redundancy due to the transfer and amalgamation of work on undersea cable repeaters from North Woolwich to Greenwich.

Forecast

In a statement issued this week, STC, classed the redundancy forecast as "conjecture".

Adding that many of the views and opinions expressed in the report were not shared by the company, the statement went on: "No decision for such a move has yet been taken.

'WE'RE HERE TO STAY' — FIRMS

MAJOR employers in several industries have said they are in Dockland to stay and will expand operations rather than sack workers.

The firms are angry about the report of Canning Town Community Development Project which forecasts a run-down by many major concerns in the area.

The report, Canning Town to North Woolwich: The Aims of Industry, was reviewed in last week's EXPRESS. It mentioned the vulnerable position of some major employers.

Let us paint better picture

WE ARE only six weeks into a new year and all we have had so far are gloomy forecasts of firms closing and leaving 10,000 unemployed in Canning Town by 1980.

Industry in general is going through a sticky patch but continued fears that Canning Town is dying on its feet are not true.

The recent report of the Canning Town Development Project spread a lot of gloom and was given wide coverage in the local press. But no one bothered to ask industry, the managers and men who know the figures. The men who could have given an informed view.

—It's almost as if th

Fig 38 Public denials

Source: The Express, 19 July 1974 31 Jan, 1975 21 Feb. 1975

mean over 9,000 redundancies. The list included manufacturing firms like STC; transport and shipping subsidiaries of P & O and Tate & Lyle; the printing firms of Lamson and Paragon and Ault Wiborg, Oil storage and chemical companies such as Amoco and Berks Spencer Acids, Spillers Flour Mills and Hollis Timber importers (both within the Royal Victoria Dock) ship repair losses in London Graving Dock, major withdrawals from the Royal Docks such as Vestey's (Blue Star Line) and Scruttons Maltby. Even incoming firms like Augustus Barnett wine storage have not been immuned to rationalisation as the economic crisis cut deeper. (It is important to note that the severe rationalisation by firms in the docks and shipping which precipitated the 1972 dock strike, are not included in this list of firms which have closed or the rates of change for 1972-77 as they were already incorporated in the earlier period 1966-72. Similarly, companies which had announced closures in 1972, like BOCM (400 jobs) are excluded from calculations) (See Fig. 23).

These extensive closures amongst long established companies, primarily in traditional sectors, more than confirms the claims made over the past few years that major redundancies could be anticipated. Equally it illustrates how the confident denials which were issued by companies like STC look like attempts to prevent the workforce and

local community from organising in advance against its planned rundown.

Fig illustrates that the overall rate of decline for 1972-77 closely follows the worst predictions. The period since 1972-77 has, with the exception of a temporary boom in 1973, been years of severe economic recession nationally in which the rate of re-investment in Britain has fallen even further. The impact on Canning Town's economy has been to marginally slow the rate of redundancies and the rate at which jobs have been created in the new activities moving into the area. The original predictions also took account of the longer period 1972-80. The figures however suggest that a net overall loss of 13,000 jobs as predicted for 1980 will still take place and could possibly be exceeded particularly in view of the long term insecurity of Tate and Lyle and the Royal Docks. The dramatic extent to which industrial land along the Thames has been vacated by traditional industrial users and companies is illustrated in the large number of major sites no longer occupied by major industries. Some lie vacant and derelict, others have been broken up by property companies and others like the former BOCM and Silcocks animal feeds mills have been taken over for their storage facilities by a brewery and wine merchants. Vacated sites have continued to attract a succession of smaller firms which have moved into the area in response to

Fig 39

9000
Redundancies
1972-77 (1)

Canning Town Employment Exchange Area.

Job Losses by Rationalization	Closure/	Firms	
2,400		S.T.C.	ITT
655		Spillers	Spillers - French
650	[J. Kirkaldy, N. Ireland Trailers] P & O
		London Scaling, Thomas Allan	
55		Amoco	
140		Empire Printing Ink	Ault Wiborg
1,000		Lamson & Paragon	Lamson Industries
165		Dicks Asbestos, T. Ward	T. Ward
260		Hollis	Hollis E.S.A
70		Prosper de Mulde	Unilever
40		Guy Motors	British Leyland
100		Silvertown Services, Sugar Lines	Tate & Lyle
50		Augustus Barnett	
300		London Graving Dock	
50		Berk Spencer Acids	Steetty
300 +	[Keuhne & Nagle, Ocean Trading] Steetty
		Oakley & Watting, W.C. Tipple	
		J. Lamb, L. G. Fire Appliances	
(600) (2)		Silcocks, B.O.C.M.-Silcocks	Closures and rationalizations of small firms
			Unilever
<i>Renewed Severance created by redundancy in shipping / Stevedoring companies like:</i>			
2,700 (1973/77 only) (3)	[Blue Star] Vestey
		New Zealand Meat Producers	
		Thames 65	
		Scruttons Maltby	

Source:

Dept. of Employment; local sources

Notes

(1) Period from Oct. 1972 to Sept. 1977 other than for shipping see note (3).

(2) Silcocks & B.O.C.M. closures announced and included in 1966-72 changes although closure took place later.

(3) Post 1972 severance situation only as the immediate consequences of the 1972 settlement were included in the 1966-72 period.

high levels of unemployment. Most operate on low costs, pay low wages, but sustain very respectable margin of profit. They include furniture, garment and confectionary manufacture, road haulage, wine storage and more transient forms of distribution activities — container stripping, warehousing, scrap yards. They are undermining existing wage levels established by the years of union organisation and hard bargaining and are setting a new pattern of low wages for the area. Vacant sites have been redeveloped as industrial estates or 'industrial parks' although few manufacturing jobs have resulted. The profits have continued to be largely in the preparation of sites for warehousing and distribution and reflects the increasing control over industrial land by finance capital.

Explanations or Fallacies?

Periods of rapid change and transformations often lay bear the underlying generators of established patterns in ways which are more obvious than in periods of stability. Nevertheless the 'received wisdom' of many current explanations of industrial decline, confidently draw upon new fallacies. Common amongst these is the belief that firms just die or more recently in January 1977 that planners are responsible for "wrecking the inner city" (1)

(1) Sunday Times Jan 30th 1977 "Callaghan attacks planners who wreck the inner city" — arising from debate generated the DOE Inner City reports.

through pursuing indiscriminate housing clearance which has removed small firms. Such explanations take the surface manifestations of change, and obscure the real causes of capital withdrawal and movement. This becomes particularly clear when an economy like Canning Town's is considered, in which the typical small firm has traditionally been of little importance.

At a local level, the symptoms of industrial change often seem easy to explain. At a superficial level, Canning Town may appear the victim of its own history and geography, with docks now too small to accommodate the technological advances of the container revolution of the 1960's. Similarly Unilever's closure of both Silcocks and BOCM animal feeds mills in 1972-1974 also illustrate this situation. Based at a port location in order to process imported raw materials, the shift in the late sixties to home produced grain increasingly put them in the wrong place. This and the use of bulk tankers over a short radius meant that animal feeds could be produced and marketed more efficiently in six country mills outside London at places like Guildford and Bury St. Edmunds. Accounts like these may explain that particular industries no longer operate in Canning Town but it is necessary to explain why this technological change has occurred.

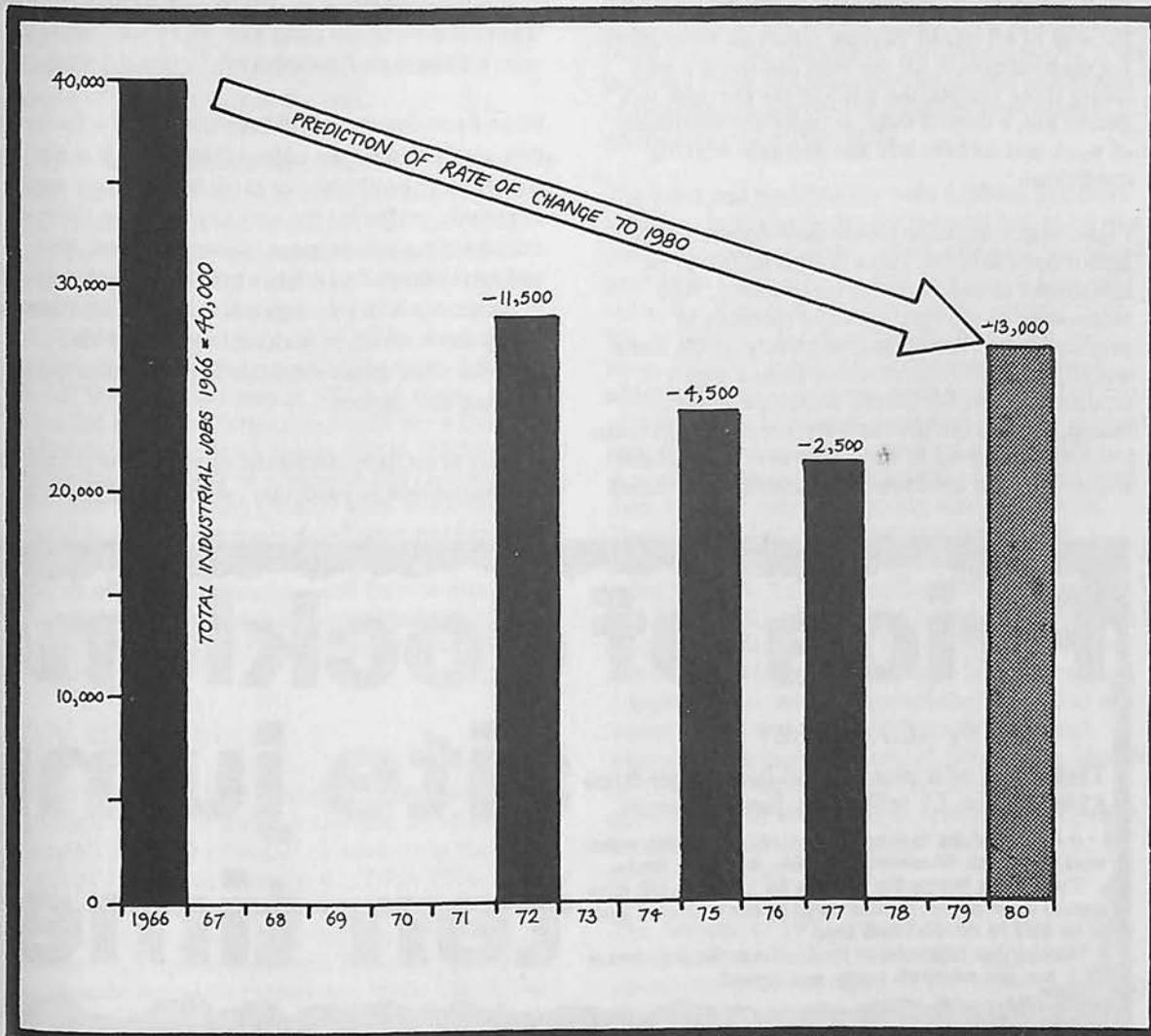


Fig 40
Prediction of rate
of job losses — net.

Source:
Dept of Employment
Local Sources

Note:
The rate of decline
1972-77 has been
marginally lower
than predicted due to the
impact of national
recession and low rate
of industrial investment.
Similarly the growth of
new jobs has fallen to
one in four lost. The
longer term outlook
till 1980, taking account
of national economic
strategy and
development at Beckton
suggest the rate of
decline will rise again.

A profitable decline

Contrary to appearances, such decline is a profitable activity. Closures in Canning Town have usually helped to restore healthier profit margins for the companies concerned. After the two animal feeds firms, BOCM and Silcocks, were closed in the earlier 1970's and the rate of return for Unilevers animal feeds division doubled from 6% in 1968 to 12% in 1973.

The key point often conceded in general terms but ignored in specific analysis is that the motor force of the capitalist economy is the search for profit and a competitive struggle. Only firms in a monopoly position escape the pressures of competition. For others competition forces them to look for ways of producing the same goods at less cost. As firms have most control over the cost of labour this is their chief target in the effort to cut costs. Historically, there has always been a strong counter pressure from the workers it uses to create these profits. What the industrialist perceives as a problem standing in the way of efforts to increase return on investment for shareholders, is for the men and women who create those profits, the struggle for the right to a decent life, a decent wage, security and continuity of work and income safe and bearable working conditions.

Faced with a situation where they cannot cut their labour costs directly, firms do this indirectly by investment aimed at raising productivity. New technology or re-organisation of methods of production can have dramatic effects on the firm's workforce in older areas where firms are part of industries for which overall demand is static or falling, increases in productivity almost always mean lost jobs. This need to introduce new technologies and methods of production is basically determined

by the requirement to increase productivity, but within this framework questions of timing, choice of new location and preference for one new technique rather than another may be influenced by considerations related to workers' resistance.

The drive for increased productivity is frequently accompanied by the restructuring of production both within firms and between them. New methods of production may mean that goods once produced in several plants can now be more efficiently and cheaply produced in one. Rationalisation will then mean the closure of some plants and concentration of production into others. If an older plant is still profitable but less efficient than plants elsewhere it is possible for a large corporation to increase total average productivity of its operation by shutting down its older plant. Concentration is often accompanied by investment in more capital intensive production thus avoiding the creation of new jobs equivalent in number to these lost in the older plant in older areas.

Where a firm's efforts to re-organise production in order to raise productivity bring job loss, workers will often organise to resist these changes or demand extra compensation for accepting them. This gives employers an added incentive to relocate new plant in a totally different area, where they can start afresh with a new workforce, perhaps one without long established traditions of organisation or militancy. In the process some old skills may be broken down into separate stages or "re-evaluated," reducing wage rates.

When firms decide to build completely new factories they rarely choose the older urban areas. It is almost always more profitable for them to go to new areas of growth, preferring the new towns or the edges of existing cities where space is plentiful, land, rent and rates cheap. The relative profitability of operating in such areas is largely dependent on the intervention of the state, which provides infrastructure and a range of other direct subsidies to private enterprise wanting new factories.

Finally firms have attempted to escape the pressures of competition in particular areas of production by

Fig 41
Dockland sites
increase in price

Price of dockland site jumps ten times

By KEN WELSBY

THE price of a plot of land has soared from £100,000 to £1 million in just ten years.

It is part of the former Harland and Wolff ship repair works at North Woolwich, alongside the Royal docks.

The GLC is buying the 16 acres for industrial and commercial development, in what could be one of the last deals of its kind in the dockland area.

Nothing has happened to the land over the past decade it has just remained empty and unused.

Source:
Stratford Express
January 1973

changing to new activities and moving out of traditional areas of operation when faced with a declining market, more efficient competitors. Successful diversification allows firms to spread the risk, shift out of less profitable operations and generally maintain or increase their profits.

These processes apply to the major corporations which dominate the traditional economy of Canning Town, but what of the small or independent firms moving into the area finding a profitable base on different terms? Although standards of production are increasingly set by the larger companies, opportunities exist for smaller firms to undertake production which is not sufficiently profitable for larger firms but which yield a high return to the marginal producers. Such firms may take up the slack in the market on a short term base. They depend for their existence on lower wage levels and working conditions below those negotiated by a well unionised workforce. They operate from old premises and draw on reserves of unemployed workers as demand fluctuates.

The Movement of Capital 1972 – 1977

These processes are all evident in the activities of specific companies in Canning Town. The Royal Docks, Tate & Lyle and Standard Telephones (ITT) have long been regarded as the cornerstones of the local economy. In 1972 they alone controlled nearly 40% of the jobs in the area.

In each case substantial rationalization or closure by 1980 formed part of the specific predictions made five years ago. It is useful then to map the capital movements of such companies over the past five years. STC, Tate & Lyle and most of the companies which have left the Royals have remained highly profitable whatever the 'decline' of local subsidiaries in Canning Town. Five years on from 1972 the Royal Docks lie half empty, STC had closed, Tate & Lyle had proposed rationalisation of the sugar industry in a way which spares jobs in the Silvertown refineries at the cost of Liverpool and Hammersmith, and then only offering security until 1981. It is useful to examine in more detail what has happened over the past five years to these traditional key sectors of the local economy and then to examine changes in two examples of new capital investment — Spiralyx (1933) Ltd. and International Watts Fincham.

THE ROYAL DOCKS

The last ten years have brought a sudden and dramatic change in the structure and distribution of Britain's ports. The number of workers in the industry has halved from the 62,000 in 1966, and the focus of growth has shifted away from the old centres of trade which grew rich on the Empire such as London, Liverpool, Clyde and Tyneside towards small scale ports like Felixstowe. In the mid-sixties the old major ports still controlled 80% of Britain's foreign trade. By 1974, the smaller ports had cap-

tured most of the national growth and increased their share to 33%. Unregistered ports like Felixstowe flourished while in London trade fell absolutely, and in Canning Town Royal Docks employment halved and a high proportion of berths came to lie empty.

Containers and Dock Labour Struggles

The restructuring of the docks was the by-product of decisions by international shipping companies to invest in a whole new technology, handling cargo in huge bulk carriers and containerising unit cargo throughout the transport industry to allow integrated movement between sea, rail and road. The potential economic advantages were considerable: a single container ship, for example, can carry the equivalent of four cargo ships. But the advantages of containerisation do not apply equally to all areas of international trade. Large areas of the world still have no outlets which can cater for this technological revolution, and the growth of UK trade with Europe did not by any means have the same advantages of economy as the long distance journeys across the Atlantic. Did it really warrant such large scale re-investment? There were good arguments against the total containerisation and in favour of flexible alternatives like palletisation or "seabees" instead.

But the shift into containers and the geographical changes within the port industry did carry enormous advantages in terms of increased productivity of dock labour. Capital investment in such new infrastructure could reduce the number of workers employed to as little as a tenth of the current total. The advantages of switching to this new technology were clearly political as well as economic.

The ports had traditionally been a labour-intensive industry. In the early days employers had enjoyed a plentiful supply of disorganised, low paid, casualised poor from London's East End to develop London's ports. But they had seen this convenient source of labour turn into a well unionised, high-wage workforce. By 1967 the decasualisation of dock work added a further pressure as dock employers lost much of their ability to bargain wage increases for productivity deals, and as a result much of their ability to increase productivity significantly. This encouraged them to move very rapidly into containerisation. They shifted the trade to new centres where expansion could easily incorporate the new jobs, rather than use the older centres where a head on collision was inevitable as the introduction of more efficient methods reduced the demand for labour. Not only did they move the cargo to new ports but shipping and stevedoring companies like P & O and Vestey's used the opportunity to sidestep dock workers altogether and establish new outlets outside the docks in cold stores and container depots operating under the names of subsidiary companies. Here lower-paid warehousemen were employed to do the same work.

The Autumn of 1972 was the scene of one of the most recent turbulent industrial struggles of the labour movement in Newham and indeed nationally. Work was slipping away from the London's upstream docks. The temporary unattached register for

dock workers rose to 1,400 often as a result of dock employers introducing stripping of containers on sites outside the docks, employing non registered workers at half the rate of pay. Registered dockers demanded the right to such work and that all small ports should be brought into the national registered docks scheme. The terms on which the strike was resolved incorporated the abolition of the unattached register, the offer of £4,000 severance, concessions towards the principle of a 5 mile corridor in which traditional dock work stripping and stuffing containers would have to be undertaken by registered workers at comparable wage rates. The 1972 confrontation and the subsequent 1975 strike succeeded in gaining concessions to this principle and to a series of advantageous severance schemes but ultimately have so far lost the battle for maintaining jobs on a scale once available to the local community.

In the aftermath of the 1972 dock strike, employment in the Royals fell to 6,000. Subsequent forecasts predicted a strategy of slow erosion of the numbers down to 2 – 3,000 by 1980 (1). Up to 1977 this does appear to be the pattern with registered dock workers reduced to 2,790 and further reductions called for by the PLA.

Royal Docks			
Total Employment	Registered Dock Workers		
1966	10,400	1967	7,132
1972	6,000	1973	4,175
1975	4,900	1975	3,365
1977	3,800	1977	2,790

Overall figures reveal little about where responsibility for the creation of unwanted dock workers lies or about the detailed transfer of investment.

The role of the Vestey organisation has figured constantly in the withdrawal of trade from the Royals since 1972. It was in the Royal Docks that Vestey started the Blue Star Line moving into refrigeration before the first world war which helped to build this private multi-million pound 'empire'. All the firms referred to below are subsidiaries of the company

- * 1972: Midland Cold Stores in East London (1 of 26 Vestey owned container depots) run on the principle of "cold store jobs are not dockers work" – Scene of months of picketing by dockers.
- * Southern Stevedores in the Royal Docks closes in June 1972. Far East trade is containerised and redirected. 1200 go onto the unattached register which proves the final straw leading to the 1972 dock strike.
- * New Zealand Meat Producers withdraw from the Royals in December 1972 after consult-

ation with shipowners "among whom Vestey has a great deal of influence." Ships sent to Sheerness – the first being Lord Vestey's Southend Star.

- * Withdrawal of New Zealand trade and rundown of South American trade leave Thames 65 Stevedores, a Vestey subsidiary in the Royals, in financial trouble. 750 dockers taken over by the PLA.
- * 1974 Exodus of South American Conference Lines from the Royals – 4 shipping lines including Vestey's Blue Star. Transfer of trade to Southampton, 500 surplus dockers.

PLA demand more redundancies

Since 1972 the PLA has taken on dockers protected from direct redundancy as more and more private firms have pulled out. In 1975 Scrutton Maltby one of the largest and long established closed, 700 workers of the 2500 strong workforce were transferred to the PLA. Control of employment has been increasingly concentrated easing the employers' problem by placing implementation of rationalisation and severance schemes in the hands of the PLA, who in turn seek direct government help to plug the hole created by severance payments as the port's trading profits fell to £½m in 1976.

The Port of London Authority (PLA), in its efforts to retain trade and compete with the super-port of Rotterdam as well as Southampton or Felixstowe, has invested heavily at Tilbury. The lack of an effective national ports strategy now means that in many respects the unco-ordinated speculative investments of the sixties have once again as in the 19th century created a national surplus of docks capacity. New small-scale ports, like Felixstowe have benefited from a high level of investment. They are well equipped and efficient, employing a relatively small number of workers with few traditions of, and less necessity for, militancy. The growth of these small ports has been at the expense of old areas like Canning Town's Royal Docks.

STANDARD TELEPHONES & CABLES

In 1972 STC North Woolwich employed 2,400 workers. The firm a subsidiary of the multi national ITT acquired Submarine Cables Ltd. in 1925 and achieved a near monopoly of the submarine cable manufacture. In 1977 the local factory lies empty. Subrepeater production has moved to another plant in Greenwich and cable manufacture has been centralised at its wartime shadow factory in Newport, where they have chosen to develop newer technology – plastics instead of paper insulated cable. While only a few hundred extra jobs will be created at Newport, thousands have been lost in Canning Town. With the prospect of further investment in fibre optics even fewer jobs are likely in making cables.

From the early 1960's the company have directed new investment in new technologies to move up to date factories in Basildon, Harlow and other new towns. For some time the future of paper insulated

(1) Dock Labour Board

cable has had a limited life now that the Post Office are switching to plastic cables, but no plans to re-invest in new products were ever put forward by the company. The possibility of a share by North Woolwich in new telephone exchange work was rejected.

The Post Office has an enormous capital programme of £826 million, nearly 4 times that of Unilever. The bulk of this goes on cables, transmission, telephones and exchange equipment. In the UK, the market is dominated by a small number of firms – STC, GEC, Plessey and B.I.C.C. In 1969 the Post Office engineers union attacked the pattern of bulk supply agreements as leading to too high prices. Following this the Monopolies Commission enquiry into cable production found evidence of a “scandalous supply of restrictive trade agreements”, in which an unlawful price ring between the companies operated. The Post Office called on the companies to open their books. They refused until 1976 and the Post Office offered no new tenders. A “war of nerves” took place with the Post Office under pressure to cut prices but not precipitate unnecessary redundancies. Sales of cable to the Post Office have been very profitable, STC had a pre-tax profit rate 125% higher than the average in 1974. Equally just as the supply of equipment to the Post Office has been very profitable at the expense of the taxpayer, it has involved supplier delay which has been impossible to tackle by open competition. In January 1976 the companies at last agreed to open their books to the Post Office.

Post Office cut back – not the cause

The cut backs in demand by the Post Office due to the economic recession are not the real cause of redundancies at North Woolwich. The crucial issues which lie behind the rundown of STC at North Woolwich included the underlying change in the technology of telecommunications from electro-mechanical into electronic equipment. To achieve this, it was secretly calculated in 1972 that the numbers employed in the industry nationally should drop to 60,000 by 1977. Opposition from the union and government forced the published forecast to be 22,000 higher. Current talk of 12/18,000 redundancies does not quite reach the manufacturer’s original target but it does ease the way for re-organisation of the industry. (Source: Financial Times - 11th Sept. 1975)

The threat of closure at North Woolwich was predicted four years in advance in November 1973 and again in June 1974 when a consultant’s report commissioned by the Home Office on behalf of 4 CDP projects predicted a serious contraction. Right up to the announcement ITT consistently lied about their intentions, despite stating in August 1974 that any such decision would be fully discussed with employees and every opportunity to retain employees would be taken in the interests of maintaining full employment.

Aug 1974 * STC reject allegations forecasting redundancies.

Jul 1975 * STC vigorously deny in the local

press that they intend to move submarine repeater production to a new factory in Greenwich.

March 1975 * STC announce submarine repeater production is to close at North Woolwich with 500 redundancies and be concentrated at Greenwich with a net loss of 300 jobs in the process.

* STC deny in a letter to Nigel Spearing M.P. that there is any threat to cable jobs.

* Newham council assured that cable production will continue and foolishly the Council do not object to giving STC planning permission for their new factory in Greenwich.

Sept 1975 * Contrary to these earlier assurances STC announce 200 redundancies in cable production.

* The South Wales Argos 18th Sept. carries a detailed story that new fibre optics will go to Newport creating new jobs. The current redundancies were part of a plan to concentrate cable production at Newport.

Nov 1975 * The General Manager of STC denies any decision over fibre optics cable have been taken.

Dec 1975 * Closure of STC North Woolwich announced.

Jan 1976 * Unions form an Action Committee to fight the closure winning considerable support from a broad base of local unions and residents.

Sept 1976 * Workers accept improved redundancy payment. Closure proceeds.

STC’s decisions over the last three years have thrown 2400 workers out of work in the pursuit of profitability. This is a policy in which the General Manager of STC admits “it will be Harlow’s turn to die off in fifty years”, and a policy which accepts that decline and its social costs inevitably go hand in hand with growth and efficiency in new centres of production.

TATE & LYLE

Between 1972–77 the future of the 3,000 jobs at Tate & Lyle’s Thames Refinery and Plaistow Wharf controlling 10% of local jobs, has figures as a constant crisis and potential touchstone of a mass struggle against further redundancies. Closure of Plaistow refinery in 1968 and the increased productivity achieved through the introduction of a continuous, variable 7-shift system at Thames Refinery, had

already accounted for a reduction of 2,800 in the workforce.

In July 1977 the company finally announced a long awaited re-organisation programme, cutting a quarter of its sugar refining workforce – 1,500 jobs. The two plants in Silvertown have escaped job reduction but only at the expense of cuts and closures elsewhere in Liverpool and Hammersmith. In addition the proposals only offer security to Silvertown on the basis of a 4 year guarantee until 1981.

The key point to be drawn from this for Canning Town is that predictions of major rationalisation by 1980 made four years ago are still very much a real threat. Support for this argument is based on a wider analysis of the interests of this now vast multi-national corporation with twenty five subsidiaries in Britain and thirty three overseas.

Before Britain joined the EEC the UK sugar industry had surplus refining capacity. The changes in policy that followed entry into the Community merely brought these problems to a head. There was already a need to increase productivity by reducing the workforce: British cane refining was carried on with old machinery and plant, it was a relatively labour intensive process, and was not sufficiently profitable anyway. Tate & Lyle had been trying to move out of this section of the industry even before government policy forced their hand. It had tried in 1970 to gain access to the profitable French beet refining industry, but met the refusal of the British government.

Tate & Lyle's willingness to let its cane sugar refining operations decline anyway, can also be deduced from the unprofitability relative to the firm's other activities. Well before entry into the EEC, the company had been using its profits to diversify successfully into other activities, particularly transport and distribution. In 1974, for example, storage, distribution and shipping operations together accounted for almost half the company's very substantial profits.

In this context Tate & Lyle's criticisms of government policy and its indirect support to the workforce in their forming of Action Committees and organising marches on Parliament in 1974 to put pressure on the government to modify policy, were essentially strategies by the company to gain government intervention for rationalisation programmes that would have been necessary anyway. The firm wanted States aid to subsidize the transfer of their activities out of sugar refining; their main concern is for an orderly and profitable withdrawal.

The July 1977 proposals reflect this. Several years of proposals, and counter proposals, joint union opposition, political pressure and government debate culminated in Tate & Lyle's £48 million take over of Manbre & Garton's 25% share of the industry in 1976. It was bitterly contested. One of Manbre's main defences was the fate of its workforce on which Tate & Lyle gave assurances. Although the takeover gave Tate & Lyle a 100% monopoly position and the power to dictate the terms of restructuring the industry, it was not called in by the Monopolies Commission. In effect it received behind-the-scenes backing

from the government as a means to ease the path of agreement to a programme of rationalisation. In the event the July 1977 proposals incorporated the run-down of both Manbre plants despite such earlier assurances. The company have also agreed to refine EEC sugar beet and supply sugar raws from the British Sugar Corporation Ely factory to Silvertown until 1981. However, this does not avoid the long term implications of the government backed further expansion of home sugar beet production. Such expansion can only further undermine the EEC commitment to import 12 million tons of cane sugar, as Britain will add to the Common Market's sugar surplus estimated this year to be 3 million tonnes. Under the common farm policy, exporters and producers are guaranteed a high price – now about double the £100 a tonne price on the world market.

As it is more economic to refine beet close to the East Anglian production area such expansion of beet production merely underlines the continuing long term threat to the Canning Town Sugar Refining industry. The parliamentary debate on the expansion of home beet production and refining has been based on arbitrary definitions of its greater efficiency, which neglect to take account of wider costs. It ignores three factors; the extra huge public expenditure involved in supporting declining incomes in cane refining areas; the longer term destruction of rich farming soils by beet production for short term project; the environmental costs involved in the road transportation of bulk sugar beet in rural areas with unsuitable roads and the extra costs of marketing to the major centres of consumption like London. In comparison the port refineries present a strong social, economic and environmental case, in addition to the role the industry plays in the economy of developing countries.

In seeking a solution on how to withdraw from a sector of declining profitability Tate & Lyle have sought to make the three cane refining areas compete although each are part of older declining areas showing the same problems. The government backed proposals put forward for the short-term rationalisation of the industry are essentially politically expedient decisions motivated by considerations of where redundancies are least likely to provoke bitter resistance.

SPIRALYNX (1933) LTD.

Spiralynx was acquired by a small family firm in Hackney in 1948. It currently has three production units in Canning Town, Hackney and Streatham. The Canning Town works is a re-located factory from Stepney which took over an empty mill in 1968.

It is a classic example of the new kind of industry which has moved into Newham. The particular circumstances operating in Canning Town – high unemployment, vacant premises, less organised immigrant workers, women workers with declining access to the traditional sectors – are particularly attractive to 'marginal' firms, which seek to operate

paying low wages. Such firms are not necessarily fly-by-night operations. They are often family firms like Spiralyx with a solid turnover and high rate of re-investment. Others may well be subsidiaries of major companies, although as in the case of Midlands Cold Storage (Vesteys) it may take a lot of investigation to prove it. Similarly, the re-emergence of the twilight world of home working on a significant scale can reveal a chain of linkages to reputable retail outlets

Small firms like Spiralyx (1933) Ltd. are extreme examples of this new source of work which has increased during the 1972–1977 period and is undermining existing wage levels in the area.

The company makes bedding, wire springs mattresses, domestic furniture. In 1964 the firm acquired Multi-Springs “contractors to H.M. Government”. Through Multi-Resta, the selling agency for the group, they supply furniture to local and county authorities, hospitals, etc. as well as the retail trade at large. Government and local government are prohibited from dealing with companies paying below the agreed minimum wage. While the firm contest that the subsidiary pay the correct rates, the union dispute this and maintain that goods manufactured in Canning Town and Hackney and below Wage Council rates are transported to Mitchem, stamped with the Multi Spring label and marketed from there. The Company’s breach of regulations has been consistently contested by the Furniture Union which noted in an article in 1972 “the firm is a large manufacturer of bedding, covering the whole of the South of England and deprives fair firms not on the basis of better production methods, but the work type of exploitation”. (FTAT union leaflet).

The factory is divided into eight shops. Despite the diversity of skills, almost all the mainly Asian workers are classified as labourers because the skills are broken right down – the classic weapon of all sweated trades – restricting the opportunities of workers to leave in search of acceptable wage rates.

INTERNATIONAL WATTS FINCHAM

The vacant Clyde Wharf site owned by Tate & Lyle was acquired by Courtaulds in 1975. A new subsidiary of Courtaulds, International Watts Fincham opened having moved from Barking. The new company is part of the same group as International Pinchin & Johnson on the site adjacent.

The new company is a supplier of ships stores and the development includes new warehousing, cold store, bonded warehouse, the making of sails, flags and repair of metal goods. 194 jobs have been created with the company running 2 to 3 buses daily to bring their former employees to Silvertown. The firm originally moved from Tidal Basin to Barking fifteen years ago. Restrictions on expansion plans led them to move back to Silvertown. Management believe it is a good site from which to provide a service to shipping lines both in the London docks and worldwide. They consider that P & O may now regret moving another local firm Duncan Wallet Ship Stores to Basingstoke.

The creation of new jobs at Clyde Wharf has to be placed in a wider context. In 1966 two Tate & Lyle subsidiaries, Silvertown Services (Barge Repairers) and Sugar Lines were both located at Clyde Wharf. These have been run down or relocated and nearly 900 jobs have disappeared – over 4 times the present number being created. Secondly vacancies at the new firm did not prove a satisfactory source of alternative jobs for B.O.C.M. workers made redundant at that time. Many B.O.C.M. workers averaged over £60 gross a week with shift allowances. The new company offer 100p an hour plus overtime which averages out at £50 gross. The drop in the level of earnings is a reflection of the change from manufacturing, which is no longer attracted to the area, towards distribution activities. It is a measure of the low level of earnings for a basic 40 hour week day work in warehousing activities which dominate new investment.

The cost of industrial decline

The drive to maintain and increase profits shapes the fate and form of industries and in their turn the places where they are located and the lives of local people. The community grew up in response to the demand for labour for new industries and its fortunes are intimately connected to the state of local industry. As the economic role of the area changes and the traditional industrial base rapidly declines there is a chain reaction of economic, social and political consequences. Companies responsible for industrial closures are in no way accountable to the local community for their decisions. Improved profitability gained by STC and Unilever since 1972 has meant rising unemployment and a future in lower paid jobs for the workers made redundant. Yet the individual firm does not have to take into account the social costs of such decisions. It need only assess the resistance of its workforce and its capacity to extract a higher level of compensation for redundancy. The social costs largely fall upon the present and future families living or working in the area and upon the government which effectively subsidizes the decisions of capital to withdraw investment by providing unemployment benefit and a wide variety of income support.

This relationship between the private decisions of capital, local community interests and public investment and expenditure remains blurred. Although in an area like Canning Town the strong overlapping links between the local community and the local industrial structure which remained until the mid-sixties have been steadily eroded by industrial decline the relationship is still strong in the old established key firms which still survive.

In 1975 it proved possible to calculate the collective impact of all industrial closures on the community by examining how one existing firm — Tate & Lyle — contributed to the local economy by predicting what would happen if the flow of revenue it generated through the economy was suddenly reduced or cut off (1). The conclusions can be applied to particular situations like the closure of STC which made 2,400 redundant, and to the overall economic decline 1966–72 and 1972–77.

Community Income

The significance of Tate & Lyle or STC to the employment structure of Canning Town residents lies, not only in the number of jobs and the high proportion which are filled locally but in the wide variety of work and skills which through the struggles and bargaining power of local workers are associated with above average rates of pay. Small transport firms which have moved into the area in recent years on to sites vacated by traditional industries not only create few jobs but also create a narrow range of jobs, eg. as packers, drivers and clerks, usually at lower rates of pay. In contrast to this the wide range of work in Tate & Lyle included technical, craft and specialist skills of process workers particular to the industry.

Closure inevitably hits local incomes very hard with long periods of unemployment in which many household incomes are halved. Women workers are severely affected and often not eligible for unemployment benefit. In the long term incomes also continue more permanently at a lower level as alternative work only exists in lower paid service jobs like warehousing or postal sorting, or may no longer prove possible for women wanting local employment. A study of Tate & Lyle workers made redundant from Plaistow Wharf in 1968 provoked the following typical personal histories.

FITTERS MATE (Age 37)

Present Work: Van Driver

“Yes, I have lost out in earnings and lots of other things too like peace of mind. . . When I was made redundant after 14 years at Tate & Lyle I was shocked. I just went from job to job because I couldn't settle down in another job. Since then I've been made redundant twice over — three times in all. So you are asking the right one about redundancy. I feel very bitter, about it I am very sorry it happened to me and I hope it doesn't happen again round here in the near future”.

PROCESS WORKER (Age 55)

Present Work: Labourer/Security

“Lost out in earnings, time travelling and fares. After my redundancy from Tate & Lyle. I was out of work

was with a shipping company on cargo security at a rate of £16 per week with transport fares to pay. Then I was transferred and in a short time made redundant. I started work the next evening at another works. I worked 60 hours a week, all night work, labouring and security. Transport fares are £2.70. My earnings are £55 per week. I am away from home at times 14 hours. I don't get shift allowance for night work or any threshold allowance. My take home pay is £39 for a 60 hour week.”

The experience of 19 years (on average) working for Tate & Lyle counted for little. The expertise of semi-skilled workers particular to the sugar industry had a low value on the open market. Two thirds were travelling further to work for as much as 30% less than workers currently employed by Tate & Lyle. Half had changed jobs more than once and a fifth had experienced a second redundancy.

The less understood consequences of mass redundancy lies in the collective impact this has on the community's income, consuming power and the areas's capacity to retain and attract investment in the retail sector and services. The wage bill of a company like Tate & Lyle for workers resident in Newham alone is £4,000,000 annually, 62% of which (£2,480,000) is channelled into Canning Town. Unemployment and re-employment in lower paid jobs substantially reduces this level of revenue to the area's economy.

It has been estimated over the period 1966–76 the collective income of Canning Town fell by 10% (excluding the additional impact of inflation). Specific closure of major employing firms like STC has reduced it by £250,000 a year and the local turnover of ships and services by £150,000.

There are also the costs that cannot be quantified. Fewer training opportunities and apprenticeships for the young; redundancy after a lifetime in one firm; longer and more expensive journeys to work from one of London's least accessible localities; long term unemployment for older workers.

Such companies also have a multiplier effect on a local economy. Smaller firms which service their needs are affected and this can precipitate further redundancies.

The hidden subsidies

The relative profitability of firms operating in new areas of production is often dependent on the intervention of the state, which provides infrastructure and a range of other indirect subsidies to private enterprise wanting new factories. It also depends on the fact that any withdrawal of investment from older areas is also subsidized from public funds as well as by the hardship of local people. Some of these subsidies are familiar aspects of the welfare state, others are not. What is significant is that no overall calculation of the range of income supports is attempted by government or attributed to companies which generated such expenditure from public funds. No social audit assessing such decisions from the wider interest is undertaken,

(1) Canning Town's Declining Community Income: Case Study Tate & Lyle

taking account of the full collective costs and the total public expenditure involved in developing a new location and income support to the area left behind.

In the short term the cost of unemployment benefit and the state's share of redundancy pay for a single closure like STC has been estimated (at 1975 rates) at approaching £2 million, with £20,000 a week in unemployment payments to Canning Town residents alone. In the longer term the closure of a company like Tate & Lyle could result in a permanent annual expenditure of £1 million a year to cover the cost of rises in personal income supports, such as family income supplement, rent and rate rebates, free school meals, social security etc. Even less well understood is the support to the community's other resource — rate income.

The rating system offers a surprising wealth of anomalies in the way it operates in relation to industrial decline. Industrial rates are conceived as covering the costs of industry within a short term perspective. At the very point when industrial decay begins to dominate, the resources generated by rate income decline rapidly. The Gas Board can hold on to large tracts (200 acres) of derelict land at Beckton at no cost, because its rate payments are based on therms produced and Beckton Gas Works has closed. The PLA Royal Docks generate a declining rate income in relation to its enormous land holdings because its rates are limited to cargo handled which is steadily falling in the upper docks.

The relationship between falling local industrial rate income and the operation of the central government rate support grant is a major source of indirect and hidden subsidy to capital when it withdraws from an area. If Tate & Lyle were to close, the £716,000 loss in rate income to Newham Council would be offset by £691,000 increase in Central Government's Rate Support Grant.

Until 1975 Newham Council itself shouldered such a loss of rates from industrial decline. The situation was aggravated by the population decline which artificially maintained the rateable value per head of population penalizing the area in its grant allocation. As a result the local community received fewer rates to cope with the legacy of decline throwing an increasing burden on to domestic ratepayers to merely maintain services.

The other costs which are even more difficult to specify include the public investment made in the industrial services to the area as industry grew. Progressive closures mean that they have to be written off, increasing the unit costs of maintaining, eg. up-keep of the river. Economic contributions of this kind by Tate & Lyle include

Water Charges	£175,000
North Sea Gas Charges	£550,000
Electrical Charges	£ 5,000
G.L.C. Charges (drain disposal)	£ 35,000
TOTAL	£985,000

Unemployment

Although unemployment levels have been high for 10 years, falling temporarily in 1972/73 and rising to a new peak in 1977, approaching 12%, they are still a poor indicator of the problems faced by local people.

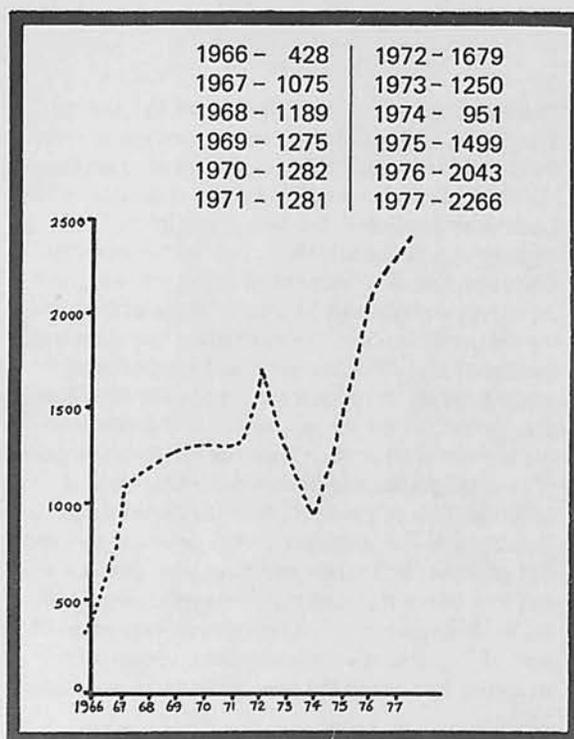


Fig 42
Unemployment in
Canning Town
1976 - 1977

Source:
Department of
Employment

If it were not for the fact that many redundant workers had not in desperation taken very poorly paid jobs in services, light manufacturing, distribution and if the thousands of women workers looking for work were actually registered as unemployed the situation would appear far, far worse. Reports elsewhere and in the Tate & Lyle survey referred to above, show that a high proportion of workers now classified as unskilled by employment exchanges did not consider themselves unskilled nor had their previous job been unskilled. The most recent 1971 census figures for Canning Town showed a loss of skilled and semi skilled workers since 1966.

Shift Work

Efforts by firms to raise the productivity of old plant have not only meant the loss of many better paid jobs, it has often been pre-dated by deteriorating working conditions. Shift working has become more widespread disrupting peoples' lives with unsocial and irregular hours as with the continuous shift system introduced by Tate & Lyle. 'Twilight shifts for women have become commonplace. Increasing numbers of Black and Asian workers have constituted unorganised and vulnerable workforce not only exploited by the new small scale firms moving into the area but also by the larger firms like STC and Tate & Lyle who employ such workers on the dirtiest, worst paid jobs and on the night shift equivalent of "Women's Work" offering low rates of pay plus shift allowance.

Uneven development

The run down of the traditional base in Canning Town over the past decade and the inflow of new users and low wage firms and the social costs incurred has close parallels with the structural decline of East London major industries, like silk, shipbuilding and engineering, in the middle of the last century. At that time, the development of factory production on a large scale saw an exodus of firms as investment moved northwards to the coalfields. The cataclysmic decline of areas like Shadwell and Rotherhithe created deeply depressed areas and over 50,000 jobs disappeared. It created a vacuum at the centre of the industrial structure. This was filled by the growth of sweated trades and homework and a vertical disintegration of production in the clothing trades. This became the 'solution' to the problem of factory competition. Deliberate casualisation, irregular work and low wages replaced regular employment in the docks. It underpinned the enormous expansion of the port of London as competing dock companies struggled to capture the new trade and markets on the empire.

Older Industrial Areas

Industry has therefore, always grown unequally; the north at the expense of the south, the midlands and the south at the expense of the north and now it is the older industrial areas all over the country that are being underdeveloped as growth investment is concentrated elsewhere. The explanations of poverty unemployment and 'deprivation' in Canning Town are to be found in the nature of capitalist economic development itself: its need constantly to restructure to find new outlets and new locations, keep down its labour costs through a variety of changing market and competitive circumstances. The development, stability and prosperity of expanding industries and areas implies and depends upon the progressive underdevelopment of other older areas of investment.

The changing pattern of industry means that workers and their families must also be shifted around the country. Planning and regional policies have helped to achieve this movement of population under the guise of lowering densities in cities, or reviving depressed regions usually with little benefit to the older industrial areas within them, or most recently new urban policies. The breakup and demoralisation of the labour force in the older areas as a result of migration and unemployment weakens organisation and paves the way for capital to use the area in new ways described earlier. The unskilled, unemployed and underemployed have a positive role in such an economy. Backward marginal firms, which survive outside the mainstream of economic development in areas of production which are not sufficiently

profitable for large corporations, depend for their existence on the reserves of unemployed workers. This is particularly so of the most vulnerable and least organised of the workforce, such as young school leavers, immigrant workers and women workers.

The Crisis of British Industry

The last ten years has also seen the death of the post-war boom that made the western world look so secure and affluent for several decades. Since the early 1970's the spectre of long term depression has unmistakably returned to haunt the western economics of which this country faces particularly acute problems and none more so than the older areas of uncompetitive, old, illequipped plant and technology. It can be argued that the restructuring of ageing industry in Canning Town would have taken place even earlier and faster had British industry as a whole not been relatively backward. Ever since the last war British industry has faced serious problems of declining productivity and profitability. Unable to drive down wages investment has gone overseas particularly to countries such as South Africa and South Korea with totalitarian regimes ensuring a cheap supply of labour. Capital is now international and as a result decision about the future of local companies like Standard Telephones were taken on a global basis in Brussels and Philadelphia — not in Canning Town.

The particular problems of British industry, lies in the fact that Britain was the *first* industrial nation and used its lead to capture the markets of neighbouring states. As foreign competition and monopolies grew British investors were able to avoid the consequences by expanding exports to the Empire and a long escape into a rise of British finance capital and overseas investment. It has until now secured the national economy against a catastrophic collapse. Economic decline has been a slow process of transforming the 'workshop of the world' into the 'sickman of Europe'. A further consequence of Britain's lead in industrialisation is that the increasing degree of capital intensive investment both in manufacturing and in the service sectors, mean that fewer workers in fewer centres of production are required. The concentration of unemployed workers in older urban areas is thus also an expression of this fundamental contradiction of advanced capitalist development.

Finally, because private capital is now international and with little incentive to invest in Britain, the Government has been forced to take a more and more active role. The strategies of both Labour and Tory Governments since 1964 has been increasingly desperately attempting to speed up the re-organisation and rationalisation of British industry in which post-war commitments to full employment have been jettisoned. Regional and New Towns policy, the merger movement encouraged by the IRC, the Redundancy Payments Act and tax concessions have all fostered the rationalisation and movement of capital usually reducing overall employment in the older industrial areas more rapidly in the process.

APPENDICES

Appendix 1

Inventory of subsidiary firms of major British companies represented in Canning Town : 1972

Company	Subsidiary	Activity
Tate & Lyle	Thames Refinery Plaistow Refinery Sugar Lines Silvertown Services Tate & Lyle Transport Silver Roadways Clyde Wharf	Sugar Refinery Sugar Refinery Shipping Tugs Haulage Haulage Container Repairs
I.T.T.	Standard Telephones	Telecommunications
Scruttons-Maltby	Scruttons Furness Withy Stevedoring	Stevedores Stevedores
Peninsular and Oriental	J. Kirkcaldy Green Silley Weir British Arc Welding London Scaling British India Thomas Allen Northern Ireland Trailers United Cargo Containers Duncan Wallet Duncan Wallet	Ship Repair Ship Repair Ship Repair Ship Repair Shipping Haulage Haulage Shipping Agents Ship Stores Canvas Manufacture
Lamson Industries	Lamson & Paragon	Printers
Furness Withy	Shaw Saville Albion Mersey Insulation	Shipping/Stevedores Ship Repair
Tube Investments	Aluminium Foils	Metal Foils
Spillers	Spillers French	Flour Milling
Nestles	Crosse & Blackwell	Pickles
Transport Development Group	J. Spurling Crow Carrying	Haulage Haulage
Ellerman Lines	London Graving Dock Grisedale & Barton J. Russell	Ship Repair Ship Repair Ship Repair
Courtaulds	Pinchin & Johnson Pinchin & Johnson Gaymel Paints	Paint Paint Paint/Warehouse
Unilever	Van den Burgh Jurgens	Edible Oils
T. Ward	T.W. Ward Dicks Asbestos	Steel Breakers Asbestos
Hollis ESA	Hollis Bros.	Timber
Rank Hovis McDougal	Rank Hovis McDougal	Flour Milling
United Fruit Co.	Fyffes Monroe	Fruit/Haulage

Company	Subsidiary	Activity
Ault Wiborg	Empire Printing	Printing
Spyrallinx	Spyrallinx	Bedding
Gordon & Gotch	Gordon & Gotch	Export Packers
Coubro & Scrutton	Coubro & Scrutton Felco-Moore	Chandlers Lifting Gear
Gulf Oil	Gulf Oil	Oil Storage
Ocean Steamship Co.	Ocean Fleets Glen Line Wm. Cory	Shipping Shipping Mech. Engineers
B.T.R. Leyland	B.T.R. Industries	Thermoplastics
P. Morris (Inc. U.S.)	Pritchard & Burton	Tobacco Packers
Shell Mex B.P.	Shell Mex B.P.	Oil Storage
Usher Walker Bingham	Usher Walker	Rubber
Standard Oil-New Jersey	Amoco	Oil Storage
Slater Walker Securities	Greengate & Irwell	Rubber
Charrington Gardner & Lockett	G.L.C. Transport	Haulage
Carreras (now Rothman Int.)	Dunhill Tobacco	Tobacco
G. Cohen 600 Group	G. Cohen	Scrap Iron
Swift & Co.	Swift & Co.	Meat Importers
W.W. Howard	W.W. Howard	Timber Importers
Portal Holdings	Houseman & Thomson	Water Treatment
British Leyland	Coventry Climax	Vehicles
G.E.C.	Magnet Shipping	Export Packers
G.J. Weir Holdings	Weir Drysdale	Marine Engineering
Vestey	Blue Star	Shipping
Hall Thermo-Tank	Axia Fans	Ship Repair
Fruit and Produce Exchange	Oakley & Watling	Ship Stores
Lovells Shipping & Transport Group	Instone Line	Shipping
Pegler & Hattersley	Pegler & Loudin	Engineers Stores
Burt Boulton Haywood	Silvertown Tarmacadam	Tarmacadam
British Commonwealth Steamships	Union Castle	Shipping

Company	Subsidiary	Activity
United Drapery Stores	Ocean Trading	Exporters
Canadian Pacific	Canadian Pacific	Shipping
Standard Oil-Indiana	Esso	Oil Storage
Blagdon Noakes	London Containers	Drum Manuf.

PUBLIC CORPORATIONS

Port of London Authority	Metropolitan Terminals Thames Stevedoring
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Post Office – Overseas Sorting Office
 North Thames Gas Board
 Central Electricity Generating Board
 National Freight Corporation

Appendix 2

INTRODUCTION

C.D.P. started work in Canning Town at a time of rising unemployment and economic uncertainty nationally. The initial field-work carried out by the C.D.P. team showed that many people felt that the fluctuations in the wider economy were masking a situation where factories were closing down with an absolute loss of jobs in the area, particularly those that paid good wages. The team discovered that while the local concerns were echoed by the statutory authorities, in many boardrooms and throughout the local trade union movement there was no up to date picture of a rapidly changing situation and very little information that was of much use to the various interests for planning programmes to deal with the situation.

A first step was to draw together all the generally available data into a single document. This showed that most figures were collected for the purpose of contributing to regional or national averages and were of limited use in making sense of a local situation. Since the south-east of England is in aggregate one of the more prosperous parts of the nation the comparisons that could be drawn did little to isolate the severe and escalating pressures that are shaping Canning Town. For these reasons it was decided to carry out a detailed study of the state of industry and employment in the Canning Town area as an integral part of the action research programme of the Canning Town C.D.P.

Aims of the Report

The aim of the research was to substantiate the major factors which were felt to underly the pattern of industrial decline in the local economy. Firstly to show that the decline is characterised by high rates of change. Secondly that the cause of change does not lie in the characteristics of individual residents and workers of Canning Town but in the activities of industrial capital. The withdrawal of investment from traditional industries is linked to the withdrawal of reasonable wage levels and opportunities and the inflow of new investment is linked to the fewer jobs, lower wages, insecurity, and the potential replacement of industrial uses as land values rise. Thirdly the research was explicitly undertaken in the interests of the existing residents and workers of Canning Town as a tool in the development of a strategy by the community to prevent the local economy being completely undermined. Finally it was important to assess the current constraints on the development of possible strategies. Such constraints are partly industrialists policies, partly the product of government policy and partly the lack of any coherent local employment policy.

Method

In order to examine the effects of the high rates of industrial change and its effect on the local neighbourhood it was necessary to restrict the study to a relatively small area which would allow a detailed examination of changes in individual companies and

sites. Similarly, as a basis for projecting the future situation a short period from 1966 to 1972 was taken for intensive study of the changes which had occurred.

It was essential to collect information which would draw out patterns of change and elaborate the types of investment decision being made and the role of individual companies in this process. While the analysis of local census data is an important element in establishing the broad trends it has limited value in explaining such changes. Therefore, information about every firm and site needed to be collected. This included their control and ownership, profitability, closures, incoming firms, job losses, rationalisation, takeovers, new land uses and patterns of investment over the period from 1966.

For the purpose of comparison the immediate economic context was defined as the Borough of Newham/Docklands and the wider context as Greater London as a whole.

To expand upon the general patterns of change which emerged from the general study, it was necessary to find out the management policies of selected companies. From the basic survey it was possible to group companies according to their likely attitude to Canning Town as an acceptable location for re-investment and a selection of 20 firms was chosen for a more detailed case study about their current situation. As part of this programme and in association with a collective exercise by four Community Development Projects a private consultant was commissioned by the Home Office to investigate selected firms in each area. *Jobs in Jeopardy (1974)* by Nigel Moor looked at plans of Canning Town's two major industrial employers, Tate & Lyle and Standard Telephones.

A draft report 'Industry and Employment in Canning Town' was produced in November 1973. Copies were distributed to local councillors, individual members of the West Ham Trades Council and the Newham Chamber of Commerce, to a number of local industrialists and to individuals who had a relevant interest in the issues discussed in the report. Copies were sent to central government departments and the G.L.C. The subsequent discussion with the many different bodies contributed to a clarification of the issues. The report has also been the subject of several formal seminars including one organised by Newham Council for local councillors and one by the Home Office Urban Deprivation Unit. The present report was revised in the light of such discussions. Publication of the report will mark the beginning of an intensive round of public debate and discussion over several months with local interests, with a common interest in renewing the local economy.

Future research into the effects of redundancy is to be undertaken together with changes in local employment structure and the link between specific local companies such as Tate & Lyle and the community's collective income. Finally, work already undertaken clearly needs updating but this is more appropriately linked to the creation of a local monitoring unit as suggested in the report's conclusions.

Definitions and Sources

For the purposes of data collection and analysis it was necessary to define an area of study for both the local resident community and the overlapping local workplace. By defining the overlapping areas it was possible to begin to examine the links between the local workplace on the future viability of Canning Town for workers and residents.

The local resident community of 40,000 (1971) is a wider area than the C.D.P. project area itself which is included within it. The area selected lies north of the Royal Docks and includes four complete wards and part of two others. This was felt to be the smallest area for statistical analysis of census information, which would provide a reasonably accurate guide to general trends rather than highly localised changes. It includes both redeveloped and older parts of Canning Town. The community's traditional workplace has always been Dockland, particularly the adjacent belt of heavy industry and docks stretching eastwards along the River Thames and northwards up the River Lea. This local workplace is conveniently defined by the boundary of the local Canning Town Employment Exchange which is closely related to the existing old industrial area.

The basic trends and rates of change for both the resident community and local workplace were established in two stages. Firstly, a straightforward collation of 1961, and 1971 census data for the local area with some comparisons with the wider context. Unfortunately the 1971 workplace and journey to work tables will not be available until mid-1975. Aggregated Department of Employment statistics adjusted to the census were also drawn upon. Secondly, the detailed picture of firms and land ownership was built up by using directories, company report, Who Owns Whom, Times 1000, G.L.C. Land Use Survey 1966, aerial photographs, the Docklands Study Source Analyses, together with local survey work. The different sources of information were carefully collected and expanded by the selected case studies.

Conclusions

Many situations frequently go unrecognised because they cannot be measured and as a result fail to 'exist' in the public mind. In this respect the problems of small neighbourhoods are difficult to expose because they are also unrecognised and only limited information is collected for such areas and much that is useful has restricted access. Firstly, the Department of Employment is the only local statutory authority which records annually, albeit incompletely, a list of local firms. This information is not freely available even in aggregated form and the general confidentiality which surrounds its collection handicaps detailed study of local firms. Alternatives only go some way to filling the gap. Like many of the current rules over confidentiality this requires replacement by the statutory collection and public disclosure of such information. Secondly, the Census itself presents problems. While it is possible to establish the proportion of workers living locally and local residents working locally, a more detailed breakdown of what jobs they do has to rely on alternative sources or borough level tables. Finally, an obvious example of statistics which do not reflect the actual situation is that of the registered female unemployment level which grossly under-represents the actual position.

The research would have been greatly aided by a locally based source providing a current and historical register of firms and their controlling companies, movements in and out of the area and the ownership of land. Similarly, company reports usually do not break down the performance of local subsidiaries and their activities. The lack of such information reflects the relative ignorance in which local communities are kept about current and future policies of firms in their area.

Although there are obstacles in the availability of information the report illustrates that it is possible to look more closely at the relationship between small neighbourhoods within large cities and their local economic base.



Price
£1.50