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Published by the Furniture, Timber and Allied Trades Union
in association with the London Strategic Policy Unit.

The London Strategic Policy Committee was created by eight London Boroughs – Camden, Greenwich, Hackney, Haringey, Islington, Lambeth, Lewisham, and Southwark – to continue some of the strategic policy work of the GLC.

It governs the work of the London Strategic Policy Unit. Industry and employment work is amongst the Unit's functions and is carried out by the Economic Policy Group.

The Unit's work is limited to research, information and policy development. But it will use these powers to support trade union initiatives against unemployment and low pay.

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JOHN PRESCOTT

Beneath the Veneer is required reading for all those who are interested in the problems associated with our basic industries. I welcome it particularly because it has actively involved workers in analysing the problems of their industries and working out possible solutions.

This is yet another depressing story of companies plagued by low investment, inadequate training, poor productivity and minimal involvement of the workforce, running into ever increasing financial problems and then turning to the public purse for support.

The picture it paints is symptomatic of the declining contribution of industry.

However, there are signs of hope. The experience of local authority enterprise boards such as GLEB, have important lessons for all of us in the labour movement. The analysis in this document is not uncritical of the intervention of GLEB and local authorities. These lessons are important for us to learn.

There is a major role for intervention with analysis, investment, training. Intervention must be accountable in a form of planning agreement. These agreements must involve the workforce. The labour movement has to think hard about precisely how industrial democracy should play a part in the regeneration of our economy.

I fervently believe, as indeed do the workers responsible for this report that trade unions have a positive contribution to make. And that legislation can play in supporting this contribution. It is to the eternal shame of Britain that we are so backward in the provision of information to the trade unions and in consulting and representing them in the running of industry. Management is hostile to such involvement, as the study shows.

The lesson for a Labour government is that

genuine industrial democracy must be backed by legislation and intervention. As the study shows, the Health and Safety legislation provided a useful guide. The achievements of this legislation were considerable, before the present government began to cut back on health and safety inspectors and weaken the legislation.

There must be a legislative framework of industrial democracy. This is an essential part of our whole approach to trades union legislation. This study should be read by all in the labour movement and I congratulate those who have helped prepare it. I hope that at least, it will encourage debate of the alternative economic solutions that a Labour government should implement to achieve full employment and the regeneration of the economy.

JOHN PRESCOTT MP is the Labour spokesman on Employment

BEN RUBNER

This report portrays an honest reflection of the personal experiences of furniture workers who participated in a series of discussions organised by the Greater London Council with our union, the union of Furniture, Timber and Allied Trades, FTAT.

It reveals much about both the failures of management and also the weakness of trade union organisation in some factories. I would like to put these problems in the wider perspective of the consequences of the present government's policies and the ruthless manner in which these policies are being enacted.

The furniture industry is one of many industries which have been the victims of monetarism, an economic theory which earned its architect Milton Friedman, the Nobel prize – that was before anyone had witnessed its devastating consequences in the hands of politicians like Margaret Thatcher.

The export of capital, now at its highest ever in the history of British capitalism, has been encouraged to catapult beyond the wildest dreams of those who pleaded for the end of exchange controls and who now owe a great debt of gratitude to Thatcher and those around her. It should never be forgotten that one of the first things the Tory Government did, almost within hours of taking office in 1979, was to remove all exchange controls. Manufacturing industry has suffered massive job losses as a result of the export of capital.

In many industries, manufacturers have made way for retailers. When the aim is private profit it is easier to be a merchant who buys and sells than to be a manufacturer, particularly when the competition hots up. The increasing concentration of distribution into a few powerful companies is a threat to all those involved in production.

FTAT is the recognised trade union for the furniture trade, nationally and internationally. Since

the post-Second World War days, our union organised workers in most of the largest and most reputable companies. I want to draw attention to the fact that most of these factories have had to close down in the past six years, particularly in the London area.

A table later in this report sums up the London aspect of this national calamity.

The collapse of these factories has not only been a calamity for manufacturing industry in this country. It is also a calamity for our union. These were some of the best organised shops in the country and we have lost many thousands of members.

At the same time as the big companies have collapsed lots of new and small companies have tried to function and, in so doing, have taken full advantage of the anti-trade union legislation. The abolition of Schedule 11 and the huge army of unemployed enables many of these new employers to offer desperate young people poor wages and conditions which is coupled with the threat of losing their jobs.

The British Furniture Manufacturers' Association (BFM) claims that during this period more than 900 firms have 'gone to the wall'; included in this figure are many of these small firms who 'failed to make it'.

This is the backcloth to the current picture.

The GLC's enterprise board, the Greater London Enterprise Board (GLEB) to its eternal credit, tried hard to remedy this situation.

But they were operating in harsh circumstances.

They began their activity during slump conditions brought about by deliberate Government economic policies – TINA ("There is no alternative" – what a myth!)

They faced the growing monopolisation of the distributive trade which resulted in a reduction of manufacturers' profit margins and an increase the retailers' mark up.

Yes, and their difficulties were directly political

as well; to ignore that is to fail to understand why the Government abolished the GLC.

BEN RUBNER is General Secretary, FTAT

MARGARET HODGE

MICHAEL WARD

“The market suddenly and unexpectedly fell away. It was like going over a cliff.” This was how one furniture industry manager described the crisis of London furniture making in the 1980s.

This report records the search by furniture workers and their union, by the GLC and the Greater London Enterprise Board, for answers to this crisis. The furniture workers analyse the effectiveness of the approaches developed by the GLC.

Furniture workers want jobs; they want to use their skills to make products that people will want to buy. But they do not want jobs at any price – they want proper working conditions, health and safety, hygiene, less noise pollution. They want a living wage. And if public money is used by the community to develop the industry, they want it to be used in a wise, effective and accountable manner.

Some of their descriptions of furniture factories could come from the pages of Dickens. A policy which sets out to “price people back into work” by persuading them to accept low wage, low technology, low quality jobs is rejected, even in an industry that has lost many thousands of jobs.

This report demonstrates the need for a plan for furniture – a plan designed to create new jobs and to preserve and improve existing ones. The plan will have to deal with exports and imports, and with new investment. It must cover improved marketing, and find ways of ending the domination of the industry by the major retailers.

There can be no effective plan for the London furniture industry without effective regional institutions – not just an elected council with full economic powers, but a strengthened regional investment agency like the Greater London Enterprise Board. For economic planning to be

democratic, it will need to be regional.

The other element of that democracy must be effective trade union involvement. The knowledge, the experience and the commitment to the industry are to be found among the furniture industry stewards who contributed to the discussions that form the basis of this report.

The report is fiercely honest and independent about the success and failure of what has already been tried; that honesty forms an excellent starting point for a plan for the furniture industry.

MARGARET HODGE is chair of the London Strategic Policy Committee, and the Leader of Islington Council; MICHAEL WARD is ex-chair of the Industry and Employment Committee, and ex-Deputy Leader, GLC.



INTRODUCTION

“It’s bad management that has caused the crisis in our industry, yet the danger with public investment is that our money is used to prop it up. And there is a danger that in propping up one company, another one is put in jeopardy. This where the workers need a lot more



research before we get involved in this. We take a wider view of our industry than management and we know more about it. We are closer to the reality of the product we produce”. This comment by one colleague sums up the motive for our report.

Daily we witness the collapse of the furniture industry in London. And daily we experience the careless, shortsighted attitudes which have contributed to this crisis. Over the last four years we have had a public authority, the Greater London Council and its investment body, the Greater London Enterprise Board committed to do something to halt the collapse. Our Union, the Furniture, Timber and Allied Trades Union, was consulted. But as shop floor

representatives we did not feel fully informed or involved. So when the GLC offered us the facilities to meet during working time to carry out our own research and put forward our own proposals we were keen to take up the challenge. One result, among many others of our meetings is this report, produced with the help of the GLC and FTAT.

This report has three main parts. First a history of the GLC/GLEB's involvement in the industry over the last three and a half years. Second, a report of the main points made in our discussions and in answers to questionnaires to our members. And finally, a list of recommendations for further action. This includes bargaining strategies by FTAT, action by local authorities and action by the government.

ENTER THE GREATER LONDON COUNCIL

The GLC approached the London furniture industry from just about every conceivable angle. The first angle was a source of funds to bail out a collapsing family company: during the second year of the new GLC administration, John Austin the owner of Austinsuite, applied for funds to the GLC's business support centre (called the 'London Industrial Centre', a survival from the Horace Cutler administration). A different angle, four years later, was to act explicitly and directly in support of the workers in the industry: in March '85 the GLC, with the support of FTAT, organised and funded the regular forums for shop stewards which have led to this report. These 'workshops', as they were called, also offered an opportunity for reps from different companies to exchange information and improve their organisation. (There is no equivalent forum for shop stewards on a London wide basis, though there used to be an unofficial gathering on a Sunday afternoon. This has died out. Later we make proposals on this.)

Between these two extremes the GLC adopted a

North London furniture manufacturing 1960s and 1984

	1960 Workforce	1984 Workforce
<i>Angel Colony</i>		
Great Eastern Cabinet Co	300	★
Sparrow & Simmons	130	★
Coller	200	★
Supasuite	200	★
Beautility	1,000	★
D & I Nathen	400	260
Carasell	130	30
<i>Ely's Estate</i>		
Howard	130	100
Homeworthy	500	★
Uniflex	400	★
Cabinet Industry	1,000	★
Wrighton	500	★
John Citizen	100	★
Stonehill	900	600
Wellsell	300	130
<i>Lea Bridge</i>		
Austin	400	200
Berrys	100	★
Henry Wilkes	100	★
Grant	100	★
Liden (Whitewood)	300	★
Bluestone	300	★
<i>Others in North London</i>		
Lebus (Cherry Lane)	3,000	★
Eyelok	400	★
Summers	300	★
Schreiber (Harlow) (Hoddesdon)	1,000	★
TOTAL	16,390	1,320

★ Firm closed since 1960.

Source: Interviews with surviving firms.

range of approaches linked together by a strategy for the industry or, at least, for how GLEB could best intervene. In the course of drawing up this strategy, two GLC/GLEB officers carried out a major study of London's furniture industry, interviewing the management of all large and medium sized London companies and of some of the industry's European competitors. The strategy led to two kinds of action by GLEB: first, direct investment totalling £1.5 million in several enterprises – Craft Choice, Walter Howard Designs and Family Tree; second, support for common design and marketing services and a forum for co-operation. The first approach has had some setbacks; partly because GLEB misestimated the character of some of those who own our industry. Though it has shown signs of success with the Family Tree investment. Much has been learned from which to offer constructive suggestions for other local authorities, for a future Labour government and for our own union.

THE AUSTINSUITE RESCUE

Let's start at the beginning, when the new GLC administration's Economic Policy Group (EPG) picked up John Austin's request to help his family's firm from the 'rejections' file of the London Industrial Centre. At this stage, two months into their job, the five members of the EPG were reacting to problems as they came up rather than carrying out a strategy. The problem with Austinsuite was that a family firm had landed in the lap of an only son who lacked the entrepreneurial drive of the founding father at a particularly inauspicious moment in the industry's history. The new management had taken over a neighbouring company, Beautility, and it had proved too much for them. The staff at the London Industrial Centre (LIC) concluded that the company was too far gone. But the local FTAT official, Peter Jones, a Labour Party



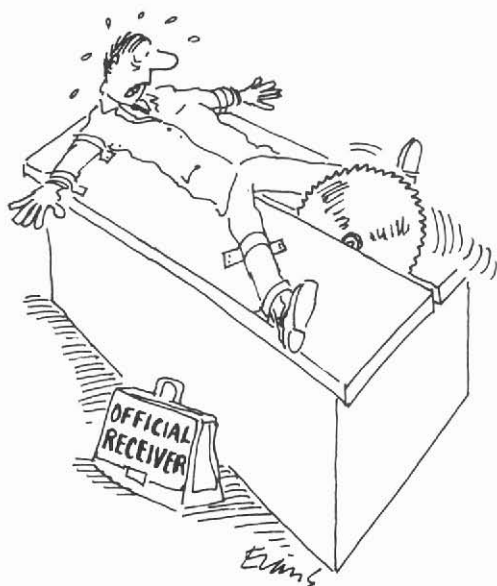
member and aware of the political changes at County Hall, would not accept this and pressed County Hall politicians to intervene.

400 jobs were at stake in the Lea Valley where over 5,000 furniture jobs had already gone in four years. The factory, which mass produced bedroom furniture, was one of the largest in North London. The company had built up a good reputation. There was no chance of the GLC taking it over; at that stage it just did not have the managerial and investment experience. But the GLC could help to find a buyer and put together a financial package which would give the GLC some leverage to defend the workers' interests. With this aim GLC economic policy officers began three way negotiations (sometimes quite literally, with bankers in one room, a buyer in the next and the trade union officials in another). They negotiated with bankers and buyers and when a proposal was on the cards, checked it with the trade union officials. "They (the GLC) would consult us at every stage", commented Ben Rubner, General Secretary of FTAT, not only about these negotiations and but also during the later negotiations over Walter Howard.

A fourth party, the Conservative controlled London Borough of Waltham Forest, suddenly upset these negotiations by putting on a distraint order to recover the money owed in rates, thus forcing Austinsuite into receivership. A fifth party entered the scene: the Receiver, who took what then seemed the unusual step of ringing up the GLC, tempting it with all sorts of proposals, including a workers' buy out. There was no interest in the latter on the part of the workers so that option quickly fell. But FTAT and the GLC were keen to continue the search for a buyer. They drew in Waltham Forest. The buyer eventually agreed on by all (though with caution on the part of the GLC and FTAT) was Ian Fraser, the owner of Bluestones, a company nearby Austinsuite. The deciding factor in his favour was that he had already

turned Bluestone around from near collapse to being a relatively prosperous company.

The subsequent deal gave Ian Fraser a £1.4m GLC mortgage on the huge 10 acre factory, and the offer of a loan. The deal saved 120 jobs and provided for two worker directors, one an FTAT official and the other the shop stewards convenor at Austinsuite. FTAT agreed to this arrangement so that the union and its members would have access to information. FTAT were not “over the moon about the idea of worker directors”, as Ben Rubner put it, but so long as there were two, one elected by the Austinsuite stewards and the other chosen by the union, they believed that it would put them in a better position to keep an eye on Fraser. As it turned out, the worker directors never took their place on the board. Fraser blocked the idea. Neither did the union, in spite of backing from the GLC, manage to achieve any other extension of their bargaining role. For instance, the shop stewards were



HOW TO NEGOTIATE.

unable to negotiate time off for sessions with a trade union tutor on company accounts.

Fraser would rather do without the GLC loan than have trade unionists on the board. He rapidly made himself financially independent of the GLC, for a while – three years later he was back with his begging bowl. The mortgage and the support from the banks had given him the breathing space he needed to move from Bluestone into Austinsuite. Consequently, the GLC's leverage was small. Moreover the shop stewards organisation in Austinsuite was weak; its leadership was simply relieved to have survived and was not pressing for more.

The Austinsuite stewards were soon joined by those from Bluestone. This improved the balance of power somewhat. The Bluestone stewards were used to Fraser and knew how to use the bargaining power they had – based in part on management's need for a quick turnaround. But they were worried about the consequences of the Fraser-Austinsuite deal for jobs elsewhere in the industry, including their own factory. When Pete Smythe, the chairman of the stewards committee at Bluestones, heard of Fraser's takeover of Austinsuite he had mixed feelings: "Obviously we were pleased that jobs had been saved at Austins but knowing Fraser we thought he'd use the move to the Austinsuite factory – which we were in favour of, the Bluestone factory was a dump – to lose some of our jobs in the process. We were suspicious because somehow we could never get a meeting with the Austin stewards in works time."

At that time the GLC had some contact with the FTAT stewards at Austinsuite, but it did not sustain this contact. The failure to develop such contact meant that once Fraser was no longer willing to co-operate with the GLC – until three years later when he had over extended himself and needed more money – the GLC had no continuing source of inside information. Fraser carried out a strategy that led finally, in March 1986, to receivership. But the details of this strategy

and its consequences only came to the GLC's attention when it was too late for either the GLC or GLEB to be of much help.

★ We wish to draw a lesson from this experience, in the form of a recommendation both to our own union and to Labour authorities: in future, the unions and the public authority, whether national or local, must ensure that a direct, close working relationship is established between the public authority and the shop floor representatives of the company in which they are intervening. Liason with local full-time officials is not sufficient.

The problem of confidentiality is sometimes raised as an argument against such a relationship. However, as shop stewards who have to deal with confidential information already (in wage negotiations etc) we consider this argument spurious. After all, we and our members have more of a vested interest in the survival of the company than just about anyone else. We believe we should be trusted. The experience of GLEB indicates that building this relationship requires considerable resources and skill additional to those involved in conventional local authority investment programmes. The most important resources are first, the facility for workers representatives to have time off to develop their own proposals for what needs to be done and second, the time and skill of people employed by the local authority so as to provide whatever educational backup the shop stewards and other workers find necessary.

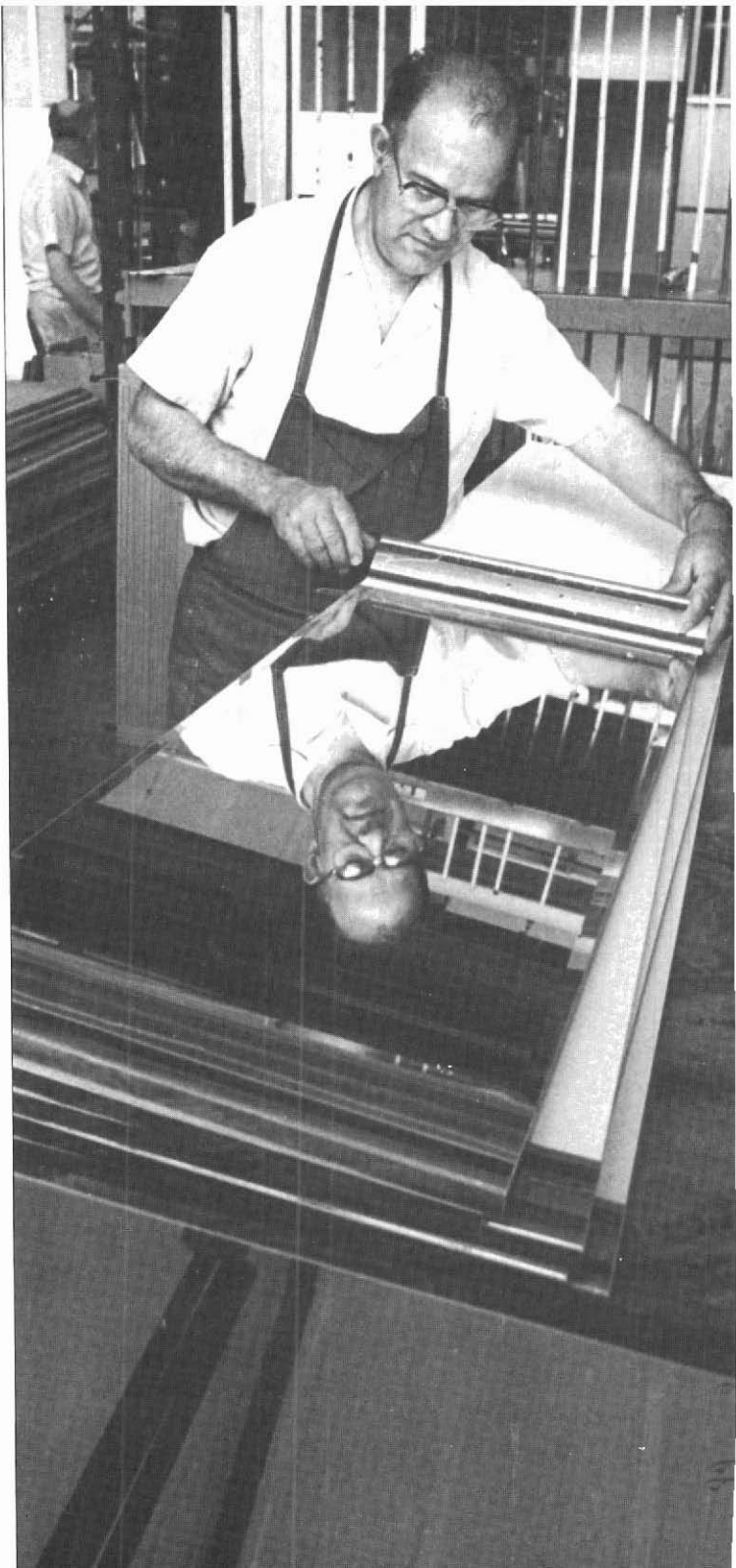
Back to the story. It was not only stewards at Bluestone who were worried about some aspects of the Austinsuite deal. At Stonehills for instance stewards who were not directly involved were nevertheless worried about impact of the deal on the rest of the industry. They and stewards in other factories had not been involved in the GLC's discussion with the union about this problem. Brian Ashton, the convenor at Stonehills put it like this: "We felt certain that the governors would be quick to take advantage of the

GLC's generosity. They're always on the look out for grants . . . Manpower Services, Dept of Industry . . . you name it, they'll be there. We were fully behind the Austins rescue. It was a real ray of hope for us. But it was unfair to move into one company which could put others in jeopardy, without discussing through the implications with all those union reps affected".

Concern about the wider ripples of the Austin rescue, plus interest in and expectations of further investments, led FTAT to call a meeting of full-time officials and leading stewards with GLC councillors and the staff of the Economic Policy Group. The meeting room at Jockeys Fields was packed. People were positive about the GLC but uncertain about exactly what the GLC's involvement could mean. The GLC and the union faced some critical questions. The main worry was that the GLC and GLEB – which was only in the process of being set up at that time – would make ad hoc investments in a well-intentioned attempt to save jobs, without considering the implications for the industry as a whole.

AN INDUSTRY-WIDE VIEW: STRATEGIES FOR FURNITURE

The GLC, following Labour's GLC Manifesto, had already rejected (at least in theory) the 'bailing out bad management' syndrome. There was a theoretical commitment in line with the trade union demand for an industry-wide view. And the Economic Policy Group had begun work on trends in the furniture industry as a whole. But there were also pressures that could conflict with or at least differ from, the unions' interests. For instance, political pressure to save jobs in the short run might lead to investment which jeopardised jobs elsewhere or which propped up managers/owners of dubious repute. Moreover, the GLC and GLEB could not in practice deliver anything



like a strategy for the sector as a whole. Limited resources made it imperative that the GLC/GLEB had a strategy for their own interventions, so as to concentrate these resources on points of maximum leverage. But a strategy for GLC action was necessarily different from a strategy for union action. The problem was how to make them complementary.

The GLC made a commitment at the FTAT meeting to carry out further research into the industry, into the trends that any strategy must take into account, and into what action the GLC should take and should press the government to take. The GLC said that this research would be shared with the union and the union would be consulted on all of GLEB's initiatives in the furniture industry.

RESEARCHING THE SECTOR

Later in 1982, an economist studying industrial restructuring in different countries, Mike Best, was employed to carry out this research with a GLEB officer, Steve Baker, and to arrive at proposals for GLEB investments. Their approach was to interview managers, consultants and people from the College of Furniture and the Furniture Research Association. They were concerned to talk to those at the heart of the industry and they started by talking to managing directors, though they continued to discuss with full time trade union officials particularly Ben Rubner.

With headlines about "Red Ken" dominating the London press, Mike Best's initial approaches to management about GLC involvement were met with some scepticism. However it was not long before they, the managing directors, wanted to see him. They even wanted to use him as *their* consultant. The story goes that he had to change his telephone number to fend off calls from furniture employers in a desperate state!

The reason for this rather unexpected response lies in the dire state of the industry. The world of

**“THE MARKET UNEXPECTEDLY
FELL AWAY...”**



furniture manufacturers has been collapsing round about them since 1979. The managing director of Sleepzee, a subsidiary of an American multinational with a factory of 200 in Merton told GLEB: “The market suddenly and unexpectedly fell away. It was like going over a cliff”. They had neither a clear explanation as to why they faced such a crisis nor a strategy for survival – beyond continuing more desperately than ever with their existing, disastrously shorted-sighted, strategies.

For some time the main manufacturers had been trapped in the incestuously competitive world of the London furniture industry lacking any direct contact with international markets.

They have been dependent on and dominated by the retailers since the sixties, when the main manufacturers invested in volume production but failed to establish their own means of mass

distribution. The retailers became the leeches of our industry. They adapted to changing markets by switching to international suppliers or by forcing domestic suppliers into a downward spiral of price competition.

(There are some exceptions to this trend, in particular Stonehills, Qualcast, H. K., Youngers and Denmoor.)

Mike Best and Steve Baker provided managers with information on these market trends. This was one reason for their interest in the GLC's survey, if not in its conclusions.

There was another vacuum on the employers' side which the GLC's survey momentarily filled. The industry is extremely fragmented, mainly because of the cut throat conditions just described. No organisation has provided a coherent overview of the industry. The British Furniture Manufacturers' Federation, never strong except perhaps in immediate post-war years, has been weakened further by the Conservative Government's employment legislation which made national industry wide agreements on minimum conditions, voluntary. Many companies consequently withdrew from the Federation in order to evade pressure to abide by national agreements. (One such employer, Silentnight in Barnoldswick, Lancashire, provoked a strike which has gone on now for over a year. The main shareholder/manager refused to pay the national minimum, pleading lack of funds, and meanwhile creamed off the profits for his personal use. When the majority of workers went on strike, he sacked them.) The discussions with Mike Best and other staff from the Greater London Enterprise Board provided panic stricken employers, in an industry which was in turmoil, with some wider bearings.

GLC/GLEB STRATEGY

The GLC/GLEB strategy argued that the best way of overcoming this fragmentation and enabling London's furniture industry to be more responsive to the

international market would be to form an industrial district of complementary enterprises which shared common services. The strategy emphasised the need for collaboration and co-operation between different firms. This collaboration, which would lead to complementary product ranges and to certain shared marketing and design facilities, was the advantage of industrial districts. (Industrial districts in Italy were an important model).

The strategy saw the role of GLEB as being one to stimulate, fund and encourage such collaboration. Only public sector funding agencies could provide this role. British banks tended to reinforce the short term, price competitive approach of the majority of companies.

It went on to suggest the kind of market and production strategy that such an industrial district should follow. This is the most innovative and potentially controversial part of the strategy. Mike Best's studies of the furniture industry internationally indicated that an industrial revolution was taking place based on the introduction of the computer to production and to distribution. It was taking place elsewhere in manufacturing but it was particularly marked in a fashion based industry such as furniture.

Computer controlled shaping, boring and routing machinery, computer aided design, and retailing linked by computer to production, has completely transformed the economics of short batch, design led production. It makes it economic for a company to produce batches of 40 different designs and to change them every year whereas before it was necessary to continue for years doing long runs of the same 20 designs. These developments could almost wipe out the London furniture industry with its volume production and lack of design content on the one hand and, on the other, its costly craft based reproduction furniture. The GLC's strategy suggested points of leverage to encourage sub-sectors of the industry to make the leap into 'flexible manufacturing', as the new



systems are generally described, and to do so in a way which enhances the skills, conditions and control of those who work in the industry. The leverage was to be through a combination of highly selective investment and the funding of shared support services in technology, design and marketing. The provision of design support is crucial to the strategy; for without innovative design the potential of the new technology is wasted.

In each investment the Enterprise Board was committed to exercising its leverage in ways which improved workers conditions, strengthened the trade unions and extended trade union bargaining where possible.

This approach to new technology was combined with an emphasis on the need for an aggressive exporting strategy. Without such an expansion of markets the increased productivity from new technology would mean the loss of jobs.

This was the GLC's first stab at a strategy for GLEB's intervention in the industry. It did not involve any extended contact with shop floor representatives of FTAT, though there was regular liason with national and regional officials. Most of the detailed inside information came from management.

★ **One of our recommendations – as a lesson from the GLEB/GLC experience – to those responsible for local and national government industrial policies is that discussion with management and trade unions at a company level should go on simultaneously, after the initial framework has been discussed with the trade unions.**

This is a recommendation to the unions as much as to the public authority. We would also stress how important it is for whoever is involved in these discussions to *report back to members*. Only this will prepare the union to exert real control over the future of the industry.

In the end the public authority's role ought to be backed by legislation. Here we can learn something from the experience of the Health and Safety legislation. Just as on health and safety matters the Inspector is obliged to talk with the unions in the factory, so it should be with investment decisions. In fact the relationship should be closer than that presented by existing legislation, without undermining the independence of the unions.

One of the purposes of this report is to back up this recommendation by showing the kind of information and indicating the kind of power to be gained from such a deeply rooted trade union involvement in industrial strategy.

THE GLC/FTAT WORKSHOPS

Several developments which came together within the GLC and GLEB in January '85 all pointed in the direction of sustained work with FTAT at the workplace as well as at district and national level. The GLC and GLEB established an Area Office in the Hackney Road with a commitment to working with local trade unions; GLEB had worked with FTAT officials over investments and potential investments; and the Popular Planning Unit were confident that their trade union workshops, tried and tested mainly with public sector trade unions, could be useful in less favourable



circumstances of a crisis ridden sector of private industry (less favourable because there were greater difficulties in getting time off, and a more dispersed workforce).

Since then five day-long workshops of 15 or so stewards have taken place. The shop stewards were recruited through the FTAT District Committee who sent details to all East London/North London FTAT branches. The workshops were led by Mary Davis a TUC tutor from the Trade Union Studies Centre at South Bank Poly. At several workshops the GLEB staff responsible for furniture investments attended. And on one occasion the SOGAT worker director and father of the chapel talked about industrial democracy at the GLEB owned bookbinding company, Standard Bookbinding.

GETTING TO GRIP WITH THE INDUSTRY

At the final workshop a steering group of seven stewards were elected to report back to the full workshop and possibly to a Londonwide meeting of FTAT stewards and officials. This steering committee had ten day-long meetings, including a visit to the London College of Furniture and to Rye Machinery, High Wycombe, a woodcutting machine tool company. There were discussions with a health and safety inspector, with a member of a design co-operative, with Ben Rubner, with several GLEB executives including one on the board of Walter Howard, and with Robin Murray the GLC's Chief Economic Advisor.

The steering group consisted of Brian Ashton and Tom Oriel from Stonehills; Barry Barnes and Geoff Hurren from Nathans; Dave Davis and Pete Smythe from Austinsuite (until February 1986 when the company went into crisis); Georgina Nash from Cintique. Hilary Wainwright from the GLC's Popular Planning took notes and prepared drafts based on our

discussions and written contributions.

The steering group started with the issues that, as shop floor representatives, we were most familiar with: the conditions facing workers in the industry, including health and safety, wages and new technology. We moved on to another issue which faces us both daily and in the long run: the failings of management. These we see in huge amounts of waste, in ignorance about production lay out, in the failure to invest and to keep in touch with the latest developments in technology and consumer taste.

But the problems do not lie only on our own doorstep. The power of the big retailers, the effects of the recession and recent developments in technology, the nature of international competition, the consequences of government policy; these were towering problems which we knew our proposals had to overcome. We worked towards our proposals by looking at FTAT's existing policy and at the suggestions of the GLC and the experience of GLEB. We tried to educate ourselves and become a few steps ahead of management as far as technology, design and market possibilities are concerned. We also examined our own present knowledge and control over production and asked whether this defensive strength – in some factories – could also be the basis of positive bargaining positions. Finally, we looked at the lessons which could be drawn from GLEB's experience to propose the action which local authorities and a sympathetic government should take in the future.

It should be said before we report the results of these discussions that we (the steering group) and the larger workshop mainly represent the larger companies, most of which are on the panel production side. Consequently the issues facing workers in the smaller, mainly reproduction side of the industry are not so well covered.

THE CONDITIONS OF FURNITURE WORKERS:

HEALTH AND SAFETY

After studying reports of the workshop discussions and speaking to other workers in the trade, we summarised our findings for the union newspaper, *FTAT Record*. This summary went down very well on the shop floor. Workers recognised their own experience in what we said. So we will repeat the summary in this report:

One thing is very clear: working conditions in our industry are very poor indeed.

Judging by the workshop reports toilet facilities range from nonexistent to barely adequate. Management's view appears to be that if they provide decent toilets, workers will spend more time in them. Dirty walls, broken bowls, cracked sinks, leaking urinals, no handles on closets and no bolts on doors. These are the conditions in most of our factories.

Management argue that workers create these conditions themselves, so therefore there is no point in providing toilet facilities similar to those in the offices. This view is clearly unacceptable.

Another major problem affecting many of our members is blocked gangways and fire exits. It is quite common, especially when furniture is not selling too well, for gangways to be blocked up with parts waiting for assembly and constructed furniture waiting for dispatch. In general, companies do not set aside large enough areas for storage and warehousing. This gives great cause for concern because of the fire risk, which could be fatal.

It is simply not good enough for management to say, as they do: "you will have to put up with it, or go on short time." In many of our factories we have to take our meal breaks surrounded by dust and dirt. Not many companies have made any real effort to



provide canteen facilities, or at least an area away from the working environment with table and chairs, so that you can sit and eat your meal in dust free conditions.

Lighting is another problem. Most workers would agree that the lights are rarely positioned correctly. Management seem to have the view that so long as you have a light somewhere above you head, then "what's your problem?"

Noise! Perhaps the major problem for us all. Without doubt noise levels in all woodmills are far too high. Tests taken in one large North London factory recently showed that industrial deafness is becoming a real problem.

We all know that the "acceptable" threshold of 90 decibels is too high anyway. But there many things companies can and should do to reduce noise even in this level. Manufacturers of the machine tools should build noise reduction into their design.

Dust! In an industry that creates so much dust we find our workers are faced with yet another health risk.



Let us remind ourselves that nasal cancer from wood dust is now described as an industrial disease. Not only should we be fighting to keep dust levels down to a minimum, we should also be insistent upon regular nasal screening and chest X-rays.

The poor working conditions of many of our workplaces shows a fundamental weakness in our trade union organisation. We all say that we are union shops but then do very little to alleviate the problems.

We find that all too few shop stewards attend TUC Shop Stewards Courses, and even less attend follow on courses. We feel that our full-time officers should be doing more, not just recruiting, but actively encouraging training and strengthening shop floor organisation.

Alongside our trade union organisation and training we have regulations which require safety representatives and safety committees. For the first time in British Law, legislation provides for a statutory system of workplace representation. The Health and Safety Act allows us to widen the scope of negotiations considerably, to improve health and safety matters at work and it strengthens our arm in these negotiations.

We discovered from the workshop reports, that there are too few trained health and safety reps and that safety committees are almost non-existent.

We must strengthen this area of our organisation.

These working conditions tell us a lot about management's attitudes: their lack of concern for their employees, their obsession with costs and their reluctance to move along with the times. We shall see the implications of these attitudes for the industry later when we discuss the failures of management. The main point to make here is that in our view, the state of the toilets is an indication of the state of the industry!

★ We make the following proposals:

(a) Local authorities investing in or taking over furniture factories could help to make them cleaner, safer, healthier places to work. They should use their bargaining power to support trade union demands to reduce dust and noise and to improve toilet and canteen facilities. They should insist on a health and safety committee and on time off for the trade union training necessary to make it effective.

(b) Local authorities should provide funds for technical and scientific facilities – “hazard centres” – to provide trade unionists with the information and the advice they need on work hazards. These could make use of the resources of Polytechnics and Universities. We understand that this was already the policy of GLC and GLEB policy.

DEAFNESS: A REAL PROBLEM



Our attempts to use the Health and Safety Act contain some general lessons about the importance and the limits of this kind of political intervention in industry. Through the Health and Safety legislation, organised workers have had some official backing against management's negligence – though the legislation is not sufficiently tough on implementation. The

legislation as it is has helped us to win improvements which few shop stewards committees could win solely through trade union action. But the legislation has not been able to work on its own; it has had a significant impact only when the shop floor has been organised well enough to press for and then monitor strong interpretations of its regulations. The Health and Safety Inspectorate cannot check on the implementation of the act without the inside information and day to day power of vigilant trade union reps. In many ways, the same relationship should apply to industrial policy and the industrial interventions of local authorities. We will say more of this later.

WAGES

Wages in the industry vary considerably depending on how well the factory is organised. Usually it is the larger plants which are well organised. At the one extreme, journeymen – and they are mainly men – in large, well organised plants earn £200 plus for a 38/9 hour week. At the other extreme are unorganised plants where employers mainly employ unskilled





● **Silentnight strikers**, now in their 12th month on the picket line. Their action has reduced the company's turnover and cuts into its profits. But Tom Clarke, the managing director, refuses to negotiate. He is helped by the fact that the Co-op continue to buy around 30 per cent of his output, in spite of pressure from FTAT, and other parts of the labour movement.

Silence is
golden!



labour and take on those who accept the lowest rate. The national minimum for the industry negotiated by the union, is £109. But many non-unionised companies pay considerably below this. In many plants where the workforce is only partially unionised, employers pay the national minimum but with strings attached – for instance, an incentive scheme by which, even if workers achieve 100%, they are only paid the national minimum. In these factories the basic rate is well below the national minimum. This is the ploy of the management at Silentnight. The management argued that they could not afford to pay the national minimum as the basic rate. Yet at the time the Silentnight Group accounts recorded profits of £1.5 million, of which £600,000 was paid out to shareholders. The total cost of paying the national minimum pay award to Silentnight workers would have been £200,000.

The situation at Cintique, a London factory is not much better. Their basic is £82.29. Their bonus works out at 79p per hour and you have to earn an 86% bonus to make the national minimum. Low wages not only

deprive the workers of a decent livelihood, they also undermine the long term productivity of the industry.

Georgina Nash described the damaging consequences of low pay at Cintique: "First, people have no incentive to work. Machinists know they just can't reach the bonus needed to make their wages up so they don't even try. That holds up production in the next department, causing the women there to go on waiting time which means less bonus for them and a waste of trained labour. *The waste in our firm is labour.* In four days last week I did just over an hour's work. The rest was waiting time. Management are short sighted not to pay a decent basic and bonus. Another result of their short sightedness is that with such low wages young people are not encouraged to come into the trade."

SKILL AND TECHNOLOGY

Management's labour policies in the 50's and 60's were very short sighted. When they moved into mass production flow line systems, they increasingly employed unskilled labour and made no provision for training or apprenticeships. The result is that skilled labour is scarce just when management needs more flexibility and when new technology opens up new possibilities for the skilled craft worker – possibilities which would also improve the market position of the company which recognised them.

Though we accuse management of a 'head in the sand' approach, we too, in the rank and file, have been *complacent*. We accepted the deskilling, we agreed too easily to use the multi-operational machinery, the quick drying glue methods, the warm air drying tunnels and the plastic fittings.

Now we face a new phase of technological change: the computerisation of production. We have not seen anything, compared with what is in store for us. Therefore it is important to act now.

The introduction of computer controlled machines is both a threat and an opportunity. It

increases productivity because it enables several operations to be done on one machine and it reduces setting up time. Consequently it cuts, dramatically, the amount of labour time needed for the same output. However, it will usually improve the company's economic position; so we must bargain over the time saved, over the increased benefit gained from *our* productivity. We should press for the same number of workers on a shorter working week. It is no good accepting 'natural wastage' when change comes. It us who will be the wastage.

The other double edged aspect of CNC machines concerns the skills of those who use them. They could be introduced in a way which takes the skill away from the operator into a programming office away from the shop floor. On the other hand they could be introduced in a way which extends the operator's capacities with training to programme the machine and to work with designers on modifications which would apply to batch production. They could enable the highly skilled craft worker to play a significant role in the industry once more: the machine could be set to do the basic pattern, leaving the engraver to add the extra touches which produce an economic, but 'up market' product.

At the same time as bargaining to retain and extend our skills, we would need to be flexible, to be multi-skilled and to broaden our horizons not only within our own crafts but in the industry as a whole. We must negotiate training schemes for ourselves otherwise we will be ourselves out on a limb.

★ These are our recommendations for union negotiations over new technology.

(a) We need to negotiate new technology agreements in which:

- (i) We are consulted before changes take place.**
- (ii) We are able to negotiate over management's future investment plans.**

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- (iii) There is a proper period scheme for retraining with no loss of pay.
 - (iv) That computer programming is done on line, by or in close collaboration with the craft worker.
 - (v) There is a shorter working week (or working day, this to be decided upon by the members) with no loss of jobs or of pay. Other forms of extra time off should be investigated, eg paid sabbatical leave, early retirement.
 - (vi) Equal opportunities should exist for everyone.
 - (vii) All new equipment is investigated by the Health and Safety Committee.
 - (viii) There is no change to the status quo without a negotiated agreement.

(b) We would argue that public authorities investing in the industry should support this approach and do what they can to help with training schemes. We believe they should provide funds specifically to enable companies to invest in the new technology; but they should make these funds conditional on the management's acceptance of the above form of technology agreement.

Public authorities can also help to provide trade unionists with access to the new technologies in order to understand their dangers and benefits before they are introduced into particular factories. GLEB's technology networks (engineering and other workshops associated with polytechnics and open to trade union and community organisations for advice, expertise and experimental work) have this potential but it is a facility which needs to be put to far greater use by the trade union movement. Too often we are caught unawares.

THE POSITION OF WOMEN

Women make up 20% of the workforce in furniture. In general the only jobs open to them are unskilled jobs on the shop floor or clerical jobs in the offices. The more skilled jobs which they have done in the past (still



not as skilled or well paid as the jobs done by men) such as Machining, Buttoning, Filling and Trimming are being taken over by machines. The hand skilled work is dying out.

Most employers refuse to consider sending girls to college. They think it is a waste, that they are likely to get married, to leave and raise a family. But many women come back to the firm in their late 20s when their children are at school. By then they are too old to be accepted on a training course, so the only jobs that are available are the ones they can learn on the factory floor.

As a result of this lack of prospects very few young women come into the trade. Women are only interested in office work, the shop floor work open to them is too limited.

MANAGEMENT

FAILINGS:

INTRODUCTION

The first task of management is to manage production; yet in our experience in the furniture industry management shows a careless attitude to the details of production as long as the flow is being maintained. Management fails to follow through suggestions. Management fails to come back on a problem which need to be sorted out.

Take waste for example: the wastage on a day to day basis is tremendous and management rarely comes on to the shop floor to see why there are so many returns. All too often management fails to discuss new methods of production with workers. This means that there are many cases when a worker can foresee that a new method will break down – and that yet, when this happens, management do not accept responsibility. “It’s always the worker’s fault.” In one factory management has introduced the Japanese method of monthly quality circles but these are on management

terms and people do not trust them. After decades of treating workers with utter contempt, it is not surprising when workers respond in the same way. The only time management seem to be a little human is when it needs a favour.

In our experience the majority of management is devious and underhand. Management assumes it can misinform us and that will we not realise what it is up to.

As long as there are profits and orders management is satisfied and complacently rejects improvements in design or the idea of ploughing some of the profits back into the business. Managements are riding high at the moment on a government which is just made for them. Until Thatcher is gone, management's attitudes will not change. We will look at each of these issues separately. Some issues are less straightforward than others. Everyone agreed that lack of consultation was the biggest failing. But several people raised some difficult issues about how to press for more involvement and information while at the same time taking a strong independent stand.

CONSULTATION

There should be more involvement. No one can see where the mistakes are happening better than on the shop floor. It is all very well for management to say, "You do it this way". We know some things are not going to work. This is one of our grievances. Management does not listen to us although we know more about production than they do. One steward in the workshop emphasised this: "The blokes on the shop floor say to us, 'This line is not going to work'. So I say, 'Hang on, let's give it a little trial'. And very often the blokes are right, and even we have doubted it." Though our members grumble about management's stupidities it is not easy to persuade them to support an organised challenge to management's judgement. At times we say, "That system will not work", or "that

machine in that position is no good". But to say, "we will not work with it", you need the confidence of the members which takes a lot of time and organisation.

One reason why confidence is not always forthcoming is suspicion that we as stewards are too closely involved with management, especially in the present climate where management is pressing for flexibility and cutting jobs at the same time. Insecurity produces a suspicion of any deal with management about the future of their jobs. Someone in the workshop gave an example: "My section is under attack. The price of timber has become so exorbitant that it is cheaper for the governor to get the work done in the country of origin. The work in our section is going. But I've got an agreement that no job should be lost in my section. They've got to be incorporated into the mill. I've been up with management and discussed several production methods that we might have in the future. And as a result I'm getting objections coming from the blokes I'm representing that I am from management because they think I'm selling them down the line and that jobs are going."

The shop steward's position is an especially difficult one when management wants flexibility from department to department rather than flexibility within the department. As one member of the group put it: "We haven't got much work in our department, but there is a lot of work going through the panel department. So they want to take blokes from our section and put them in the panel area, perhaps on a temporary basis, perhaps permanent. I said that's okay. I've got an agreement by which no man loses his job. And I asked the blokes to agree. But, with good reason, there is an immediate suspicion that management want to close the section."

Stewards from Nathans reported their members' response to the management's attempts to establish Japanese style quality control meetings: "Most of the guys just don't want to know. They don't want the half an hour paid time off for the meeting; they want to

carry on working. They don't want to divulge the information that they've accumulated over the years for the company's benefit when they are doubtful whether it would be in their benefit. Their biggest fear, quite rightly, is that management are trying to do away with jobs in a devious way."

The problems are how to gain greater control over management through trade union bargaining; how to turn workers' accumulated knowledge into a source of power to improve job security, wages and working conditions and how to determine the terms on which new technologies are introduced. At Stonehills the stewards have already gone some way towards such a positive bargaining strategy in their wage negotiations: "When we go in for a wage rise, management's first reaction is always, 'how can it be funded?' We always have answers to that, based on our knowledge of production and the opportunities they have missed and the wastage they have allowed".

WASTE

Waste is an issue which several shop stewards committees use in wage negotiations. The stewards from Austinsuites for example, described how, "When management say, "But we're not making any money", we say why don't you do this governor? Why don't you do something about this waste?' I've been in this business a while now, and I know that there's a hell of a lot of money wasted." There is colossal waste in the industry. Most members of the group reported damaged and poorly made furniture, but few reported any real attempts by management to eliminate this waste. The experience of stewards from Austinsuite is typical of the volume production factories: "Waste comes from returns or parts that come down from the mill and are damaged in transit. They are just slung away, on a day to day basis. You've got men who are virtually full-time porters just taking it away and dumping it in the skips. They try to put too much stuff

into the lorries. The result is chests of drawers inside wardrobes. The only thing holding the bottom together is four screws, so as it goes up and down the motorway the bottom of the wardrobe falls out or cracks straight across.”

One of the reasons for this overloading is connected with the cheapness of the mass production goods. The size of the load has got to be sufficient to justify the cost of the transport. Cost is also the reason why the returns end up in the skip: it is more economic to throw it away than to recirculate or sell the sound components.

DESIGN

The main criticism of most of our companies over the years has been the lack of ideas in both design and market research. The means to market research are there. But they are ignored. Managements stick to the



*This will have to go
with you in the
cab, Forbes*

old fashioned methods. They don't like change in this industry, the old methods will do.

The designers are not given any scope. In a lot of cases they are given designs by other companies, told what the product has to cost then asked to modify an existing design. Sometimes the design even has to be determined by how many units have to be in a load. One member of the group gave an example of this: "We had a design of a wall unit and they could only get X amount on to the lorry. They had to change the design so that they could get more on."

The other pressure against good design comes from the mass retailers, Queensway and MFI. Most of our companies are dependant on them. This means that our governors are only concerned with cutting costs. Good designers do not stay. They are mainly freelance. Or they join a small, specialised business. They are not in the union. It is not like Lucas Aerospace or many other engineering companies where high level design is an integral part of the business and designers are well organised. As a union we cannot approach the issue of design in the same way as they did at Lucas Aerospace. (At Lucas Aerospace in 1975-76 the shop stewards and trade union reps from the design offices worked together on alternative products to put to management as a negotiating strategy against redundancies. Management refused to negotiate. But the trade union plan was a focus for local and national campaigns against closures and sackings.)

EXTERNAL PRESSURES: THE MARKET, THE GOVERNMENT...

We discussed these problems at two meetings of the steering group, though they came also up throughout the workshops. At the first meeting we identified the problems as we saw them. At the second we asked an



economist from the GLC, Robin Murray, to explain some of the complexities of international trade and finance, which we needed to understand before coming to any conclusions.

We identified the first problem as the power which enabled those countries supplying our raw materials to insist on extortionate prices or to supply ready made components instead. In fact, some of our firms would be content to assemble and sell such ready made parts and thus to encourage the supplier country's furniture industry at the expense of our own. Other companies here are moving away from timber to plastic or to any substitute which can be moulded and stamped out cheaply by pressing machines. Some companies expect us to work with a relatively cheap wood which they sell under a more expensive label. For instance, at one company, we are asked to make "teak" products using African Walnut.

There are many explanations for the increased cost of timber. One is ecological: while a lot of timber is wasted there is no recycling and not enough replanting.

We identified the second problem as the competition coming from imported products. Sometimes these are of better quality such as those from Sweden. But mainly they are cheaper, mass produced and often subsidised, for example, flat packed bedroom and kitchen furniture from other European countries, with which we cannot compete unless we too are subsidised. In some cases imports have the advantage of being produced by co-operatives, also more cheaply.

We approached the EEC since there is supposed to be fair and equal trading between EEC countries (in which we are partners) but, although this present government keeps talking about "fair trade", they have failed to help us. Our furniture industry is not subsidised to the extent that it is in other EEC countries.

At this first meeting we believed that the only

solution was that of applying import controls and/or subsidies.

The discussion at our second meeting led us to realise that such policies were not enough unless they supported a deeper strategy for production itself, one which included control over the future direction of the industry. Without such a strategy, import controls and subsidies would merely provide a support for the present management with all its incompetence and lack of care and imagination. By themselves they would only stave off the problem. They would not provide a long term solution.

Another reason why import controls and subsidies should be seen as *part* of a turn around in production rather than an answer in themselves lies in the crisis ridden state of the international economy. In countries such as Britain, Germany and Italy it is a crisis of profits. Governors and governments are trying to get out of the crisis by directly undermining the strength of labour and/or by increasing productivity, introducing new technology at the expense of labour. In poorer countries such as some in Eastern Europe or those in the Third World, it is a problem of debt, of obtaining the hard currency (ie dollars, deutschemarks or pounds) to make the repayments required by Western banks and governments. It is this desperate need for hard currency which leads these countries to subsidise their export industries, like furniture, or in the Third World to increase the price of raw materials and start to manufacture and export components themselves.

In this situation, the use of import controls as a long term strategy would lead to retaliation and a financial bust up, causing the IMF to come in, forcing an end to subsidies and cuts in other public spending. Such a crisis would be bad enough for working class people in the West; or it would cause even worse economic misery in countries such as Poland, or in a different way, Ethiopia.

On the other hand we believe it would be possible

to introduce important controls as a means of protection – and therefore for a limited period – while carrying through a radical transformation of production. A Labour government would need to co-ordinate with labour movements in Europe to minimise the likelihood of retaliation. To achieve the rapid transformation needed to lift the furniture industry out of its present crisis, the government, working closely with FTAT representatives at all levels, would need to direct the computer technology which is now sweeping through the international economy, in new ways. For this it would need to make available massive investment funds specially for designing and introducing the new system on the terms recommended in the section on technology.

STRATEGY

Throughout this report we have made recommendations relating to particular problems. These recommendations must all be part of our strategy. The purpose of this section must be to bring these together into an overall strategy. A strategy, however is more than just a list of recommendations. It needs to be about how to get from where we are to where we'd like to be, taking account of the obstacles on the way, building on our own strengths and overcoming our weaknesses.

In the previous section we made a distinction between action of a protective kind, such as import controls subsidies, and action of a transforming kind such as intervention in the details of production, its control and organisation.

The former are policies we must take into the Labour Party's manifesto. We spell some of them out in our recommendations. We can campaign for them, lobby for them and educate people about them but there is nothing much more we can do about them now; they require a sympathetic government. The transformation of production is something about which

we can at least take preparatory action, both through our union and through the sympathetic local authorities in London.

LOCAL AUTHORITIES

What can local authorities do to prepare the ground for national intervention and how can they achieve some modest changes in the process?

A local authority has few powers with which to intervene in industry. It has funds – very limited – to invest or to provide services for companies. But it has no powers to take over or extend control over a company, unless of course it has the support of a well organised shop stewards committee in the company concerned. It can use its powers of research and dissemination of information to provide research and educational support for trade unionists to develop their own strategies.

GLEB

What were the views of workshop members about the GLC/GLEB for intervening with these resources in the London furniture industry?

One view was shared by everyone at the workshop: that it was a real step forward for a local authority to try to exert some social control over the investment decisions of local employers. There was general agreement that the idea of GLEB is worthwhile. We would not be spending so much time on it if we did not believe that. All our criticism must be read in this constructive light.

Most people were sympathetic to GLEB's proposals but felt that GLEB would need more resources and powers to put them into practice in face of the present major employers. As one shop steward put it: "The GLEB proposals are like a fairy story. They are wonderful but just couldn't be carried out with the present governors". Someone else expanded the point:

“GLEB isn’t powerful enough to get them to co-operate in the way that is necessary, unfortunately. The employers won’t get together. We work for one of the better governors. But he enjoys firms going broke. He rejoices when his cousin goes out of business – literally.”

In many ways we share GLEB’s analysis of the problem: fragmentation of the industry, short sighted price cutting strategies and so on. But we felt that their proposals underestimated how entrenched the employers are in their approach.

This led some of us to think that GLEB should have emphasised the national changes that are necessary to really have an effect on the industry. As a centre of economic intelligence it should act in a more generalised way as a disseminator of an alternative economics. As far as most people are concerned, GLEB has said little to counteract the daily bombardment of monetarist economics. This is surely not through lack of an alternative but through the limited scope given to GLEB.

After talking to people at GLEB we realise that they have been doing their best to show the need for a national alternative although the popular press are just not interested. We will have to get the word across in more direct ways. We hope this report will help, at least as far as furniture workers are concerned.

Some felt that GLEB should not invest in particular companies, because their resources are too limited to have an influence on the sector as a whole. According to this view, GLEB should concentrate on providing resources to those companies interested in using them (marketing, design, etc) and on working with the unions to formulate bargaining strategies over new technology and early warning of redundancies. Others argued that GLEB should concentrate on small enterprises with a clear market and a good record to help establish and promote co-operation between them and encourage their workers in the union. We hope the discussion at the FTAI District Committee



will help us arrive at a final view on these issues.

A point on which everyone was agreed was the need for GLEB to consult more widely amongst trade union representatives both on its general strategy and on particular initiatives. It is important to talk to the trade unions in the factory, not only to the area officers.

We realise that GLEB do have a policy of working with shop floor representatives but in our experience this has not always had sufficiently high priority.

We know our governors. We know how to assess what they say. Also in many factories we more or less control production. Management come to us when they want a problem sorted out. We can tell when things are going wrong.

We feel that by building a close alliance with the union at factory level GLEB will gain an important source of leverage and information. We would strongly advise other local authorities and the Labour party nationally to build this involvement now.

We had other detailed criticisms. First, the emphasis on design: Designers do not have a monopoly on good and/or quality furniture design. We should not isolate design as the only important factor. Good design can be found in sweat shops and in small firms which lack an effective sales strategy.

In response GLEB reassured us that their whole strategy is to integrate design with other aspects of production and distribution. But they stress, on the basis of their study of markets, that it must play a leading role.

Secondly, GLEB are enthusiastic about the potential of computer based production and distribution, but somewhat vague about how these can be introduced to benefit furniture workers. We have made proposals which we hope GLEB or any similar public investment body will support.

For all our criticisms, the GLC was right to get involved in manufacturing industry. It has been an important learning experience and the inspiration for this report. As one steward from Walter Howard – one

of GLEB investments which collapsed – said, “I was thinking, I’m glad it happened, I’ve learned so much from it which we could not have learned any other way. The thing is now to let other people know, so that the same mistakes aren’t made again.”

UNION POLICY AND STRUCTURE

FTAT needs to examine itself carefully. It is an organised representative body. The executive needs to ask itself whether the organisation is meeting the needs of the rank and file. Interest in the union has waned considerably. Members have a union card merely to be employed. They do not feel any need to be active. Many have felt let down as the industry has declined and they have seen little evidence of union back up in fighting closures and shut downs. There have been only pockets of resistance in the better organised areas. The executive has to realise that in many areas the branch system needs reassessment. We suggest that the union establish a regular area forum of shop stewards, attended by an organiser. The organiser could use it to up date the stewards on any information and the stewards could exchange ideas and give the organiser feedback. We think that this would achieve the unity we need at present. A new start is needed. The union should go out and prove its usefulness to the membership.

STRATEGY

What should be done?

1. Companies should buy more up to date equipment. Management never make improvements in design or plough some of the profits back into the business. This should change.
2. Every company should get the union AND the shop floor involved in running it. Management treat all workers with utter contempt, so the workers respond to them in the same way and things get left. How can they expect a different attitude from the workers if this is how they treat us? The only time management seem a little human is when they need help or a favour from you. They never discuss with their workers about new methods of production or new ways of improving the flow of work. The workers can see it won't work and when it breaks down management won't admit it's their fault, it is always the workers fault. If the shop floor were involved the company would run a lot better.
3. National government can do a lot—should be backing on import controls and it should invest in the industry. This at least would let U.K. companies compete fairly with other European companies who are subsidised. A Labour government should nationalise the industry to protect the wages and conditions of the workers and the industry itself.
4. The industry needs new products and new markets abroad. For this to happen it needs new designs and new designers.
5. The manufacturers must get together or they will be strangled by the retailers. We should put pressure on a future Labour government as part of a planned approach to the furniture industry.
6. The retailers should exhibit their furniture properly and exhibit in Europe as well.
7. There should be regular checks on health and safety in factories with X-rays and nasal screening.

*This is the beginning of a strategy for the furniture industry, written by
work in the industry.*

SUMMARY OF RECOMMENDATIONS

★ AN ALLIANCE WITH THE UNIONS

(a) At a company level

We would argue that in future the union and the local authority, or government, should establish a direct, close working relationship between the public authority and the shop floor representatives of the company in which they are intervening. This will require extra resources for the public authority's industry programme both in terms of provision for time off for the workers representatives and in terms of educational/information back up.

(b) Across the industry

One of our recommendations to those responsible for local and national government industrial policies, is that the process of discussion with management and trade unions should draw up an industrial strategy go on at the same time. Just as on health and safety matters the Inspector is obliged to talk with the unions in the factory so it should be with investment decisions. Though the initial framework should be discussed first with the unions. The public authority cannot be neutral.

★ WORKING CONDITIONS

(a) Local or national authorities investing in or taking over furniture factories could help to make them cleaner, safer, more healthy places to work. They should use their bargaining power to support trade union demands to reduce dust and noise and improve toilet and canteen facilities. They should insist on a health and safety committee and on time off for the trade union training necessary to make it effective.

(b) Local authorities should provide funds for technical and scientific facilities – “hazard centres” – to provide trade unionists with the information and the advice they need on work hazards. These could make use of the resources of Polytechnics and Universities.

(c) Health and Safety legislation should impose conditions on the manufacturers of wood working machines so that noise and other risks which could be avoided by a health and safety conscious approach to design.

★ NEW TECHNOLOGY

(a) We need to negotiate new technology agreements in which:

(i) We are consulted before changes take place.

(ii) We are able to negotiate over management's future investment plans.

(iii) There is a proper period scheme for retraining with no loss of pay.

(iv) That computer programming is done on line, by or in close collaboration with the craft worker.

(v) There is a shorter working week (or working day,) with no loss of jobs or this to be decided upon by the members pay. Other forms of extra time off should be investigated, eg paid sabbatical leave, early retirement.

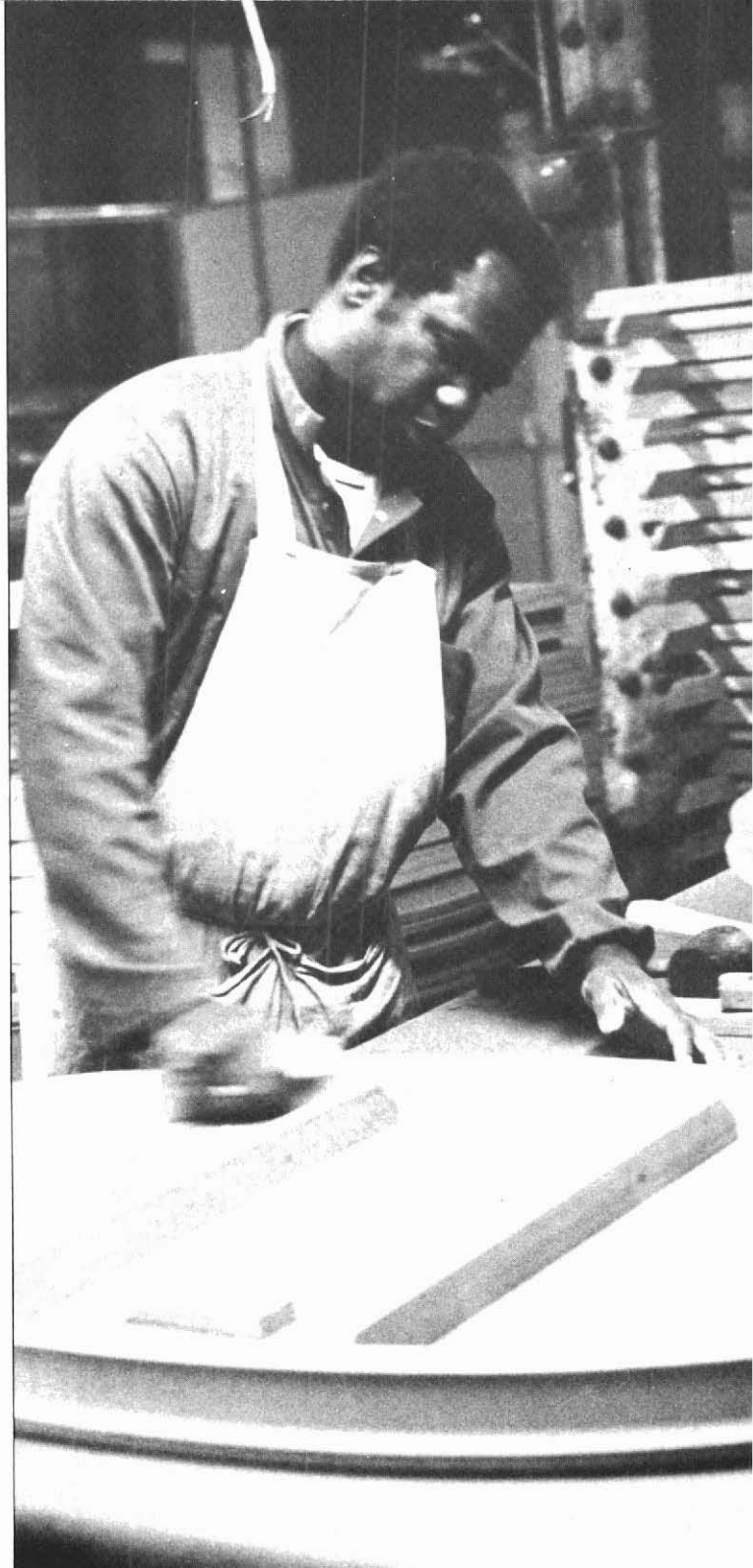
(iv) Equal opportunities should exist for everyone.

(vii) All new equipment is investigated by the Health and Safety Committee.

(viii) There is no change to the status quo without a negotiated agreement.

(b) We would argue that public authorities investing in the industry support this approach and do what they can to help with training schemes.

(c) We believe they should provide funds specifically to enable companies to invest in the new technology, but they should make these funds conditional on the



management's acceptance of the above form of technology agreement.

(d) Public authorities can also help to provide trade unionists with access to the new technologies in order to understand their dangers and benefits before they are introduced into particular factories. GLEB's technology networks have this potential but it is a facility which needs to be far greater use be put to by the trade union movement. Too often we are caught unawares.

★ GOVERNMENT ACTION

We need:

(a) Government measures which should include import controls to protect the industry, while the government and the unions carry out strategies for lifting the furniture industry out of its present crisis.

(b) Investment funds provided by the government and local authorities specifically to pay for the introduction of computer based technologies, on conditions laid out in the section on technology.

(c) A government scheme to tie increases in demand with increases in employment. For instance, a reversal of the Tory policy on the rate support grant geared to industry. This could be in the form of a special rate support grant for local authorities to intervene in industry on condition that investment preserved or created jobs. Local authorities also need power to enforce their agreements with private companies including, if necessary the power to take them over.

(d) Government guidelines against the mark up of prices by retail outlets, to prevent retailers' squeezing companies' working capital. This should be combined with a system of monitoring to allow the extra revenue to be reinvested in the company rather than going to line the employer's pockets.

(e) Joint work should be started now by the trade

union, local authorities and the Labour Party nationally to plan the details of an alternative strategy for different parts of the furniture industry, including the international dimensions of such a strategy. We hope this report provides a local beginning for this process.

Further work by FTAT and the Labour Party or by Labour local authorities should consider in detail following two issues: First, it should explore what forms of public ownership and industrial democracy – both at a company and a sector level – would be best for workers and consumers in the furniture industry and what forms of competition and co-operation between companies should this involve in any one region. Secondly, further work should explore the kind of co-operation that needs to be built between furniture industries and the trade unions on a European scale.

In North London, the historic centre of Britain's furniture industry, only 2 major factories – 860 jobs – remain. In 1960 there were 19 factories, and 16,390 jobs.

Britain's imports of furniture have quadrupled. The skills and design flair of London's furniture workers have been wasted. This report tells why – from the inside.

It also makes constructive proposals about the use of new technology, the direction of investment, the improvement of working conditions and the political action and strong trade union organisation which is necessary to rebuild the industry.

This report is the result of joint work by the furniture workers' union, FTAT and the GLC's Popular Planning Unit.

"This study should be read by all in the labour movement and I congratulate those who have helped prepare it."

JOHN PRESCOTT MP, Labour spokesman on Employment



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