

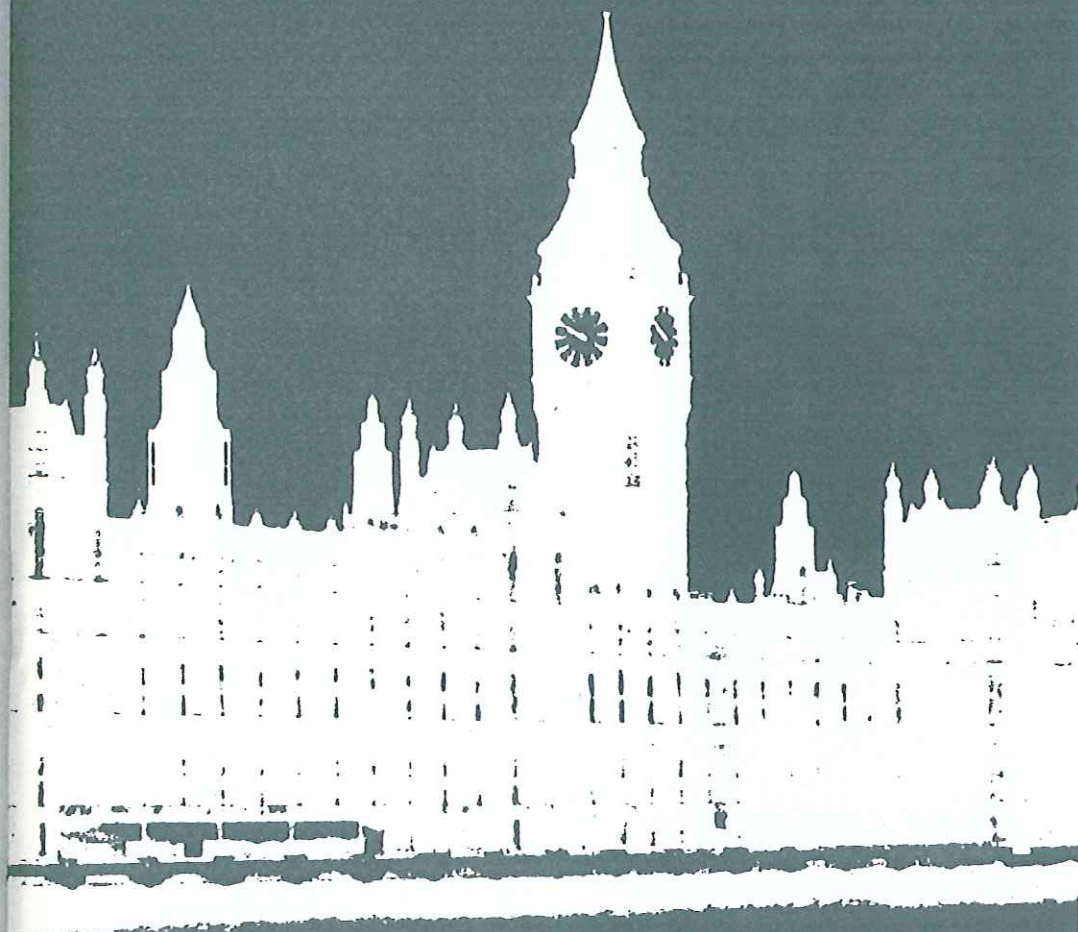


Policy Study No.101

# Clear the Decks

abolish the National Dock Labour Scheme

David Davis MP



CENTRE FOR POLICY STUDIES



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8 Wilfred Street, London SW1E 6PL  
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## Introduction

BRITAIN'S INDUSTRIAL SUPERIORITY DURING THE NINETEENTH century depended upon our control of vital sea routes. Even today, although Britain is no longer the world's leading industrial nation, ports and docks are of enormous importance to our economy. A healthier ports industry is a prerequisite for even greater economic development.

There are over 300 ports and wharves in Britain, about one-third of which are of commercial importance. In the first quarter of 1987 alone, slightly more than 80 million tonnes of imports and exports passed through British ports, of which seaports handled over 75.7 million tonnes, or 95%.<sup>1</sup> In terms of value, some £44.5 billion of goods travelled through all British ports. Of this total, seaports handled £32.3 billion of goods, or 72.3%.<sup>2</sup>

Clearly, Britain's ports continue to have a major role to play; it makes it even more deplorable that a large section of the industry suffers from some of the worst industrial relations and restrictive practices in Britain. This paper demonstrates how unjust and ludicrous the existing legislation is. If Britain is to seize fully the economic opportunities which will be offered by the Single European Act after 1992, the Dock Labour Scheme must be abolished. Legislation must be brought forward to end the Scheme; and steps be taken by the Government to secure the profitable expansion of Britain's ports industry in order to meet the demands of a single European market with 320 million consumers.

### References:-

- 1 HM Customs and Excise data
- 2 Ibid.

## The history of port employment

In order to appreciate the complex problems which beset the Dock Labour Scheme, it helps to glance at the history of port employment.

During the nineteenth century, many dock workers were casual labourers, employed by the day or the half-day. As such, they were then regarded as the classic example of the 'undeserving poor' because they generally made little effort to support themselves, relying for their subsistence upon the Poor Law. Especially during the second half of that century, trade unionists and social reformers organised campaigns on their behalf. They held that the system demoralised the workers and made for inefficient management of the docks.

### Liverpool Scheme

One proposed solution was contained in a scheme begun in Liverpool in 1912, which tried to regulate the number of workers in any given port by means of registering them. This scheme introduced the idea of joint control of the size of the register by the employers and the trade unions. Dockers' wages were paid weekly at Clearing Houses set up by the Board of Trade so that the registered dock worker could be paid at a single office all the wages he had earned from various employers each week.

### 1947 Scheme

By the Second World War, most ports had introduced limited registration schemes, whereby a register was kept of dockers who were given hiring priority – although employment itself was still on a casual basis. During the war it was necessary that there should be a guaranteed supply of labour for the docks. In June 1940 Ernest Bevin made registration of dockworkers compulsory. After the war, the Labour Government imposed the Dock Labour Scheme upon the port employers, by the means of the Dock Workers (Regulation of Employment) Order which came into effect on 16 June 1947. This legislation imposed the National Dock Labour Board (NDLB) in 84 ports in England, Scotland and Wales. The Scheme allowed only registered

employers to employ Registered Dock Workers (RDWs), and required these employers to meet the costs of the NDLB.

The Scheme also laid down fundamental principles of employment that were to paralyse management and destroy commercial flexibility in later years. These included:

- i) joint management and trade union control of the register;
- ii) the definition of what constituted dock work;
- iii) the reservation of that work for RDWs only; and
- iv) a guaranteed minimum wage for RDWs, whether or not there was any work for them to do.

The Dock Labour Scheme is administered by the NDLB and 20 Local Dock Labour Boards (LDLBs). It is one of the last legacies of the 1945-51 Labour Government – a 40-year old anachronism which is a wholly inappropriate way to manage the ports industry today, given all the changes over the last four decades.

### 1949

In 1949 the LDLBs were asked by the NDLB to improve efficiency by removing from the register those employees who were unable to perform their duties owing to age or ill-health. Thirty-three workers in London were issued with dismissal notices. Even though these were perfectly valid, there was an immediate sympathy strike, involving over 15,000 workers at one stage. The Unions had eventually to agree to these dismissals, but this remains the only occasion on which they allowed compulsory dismissals on non-disciplinary grounds.

### Joint Control

Joint control of the register gives the trade unions an effective veto on all business decisions taken by the port employers about employees. Management and trade unions do have different needs and wishes about employment levels and dismissals. The equitable resolution, however, of these differences is almost impossible through a system which imposes unique constraints on the ability of port employers to manage their own businesses. Although equal employer and trade union representation on the NDLB and the LDLBs might appear to be fair, in effect management is completely shackled by the unions.

The Scheme had been in operation for less than three years when the Labour Government appointed a Committee, with Sir Frederick Leggett as Chairman, to investigate the reason for the spate of unofficial strikes plaguing the industry. The Leggett Committee was the first of eleven committees and inquiries set up to examine the operation of the Scheme between its introduction and 1972, of which the most important were the Devlin Committee (1964-65) and the Aldington-Jones Committee (1972).

#### **1964: The Devlin Committee**

The Devlin Committee was convened to investigate 'causes of dissension in the industry and other matters affecting efficiency of working' and 'decasualisation'. It recommended the introduction of a system of permanent employment of all the RDWs by a reduced number of registered employers. This was to be an addition to, rather than a replacement of, the rest of the Dock Labour Scheme, thus leaving in place the system of joint control.

#### **1967 Scheme**

The recommendations of the Devlin Committee were followed up with the Docks and Harbour Act of 1966 and the Dock Workers (Regulation of Employment) (Amendment) Order of 1967. Under the 1967 Scheme, every RDW as of 18 September was allocated by the NDLB to registered employers as a permanent employee. Many employers were compelled to take more RDWs than they needed because of a government pledge that the decasualisation of employment would not result in redundancies. The 1967 Scheme established a Temporary Unattached Register (TUR). RDWs could be placed on it after dismissal by their employers while their appeal to the Local Board was pending. However the TUR is also used to accommodate those men whose employer went out of business. This happened because the 1967 Scheme laid down that when the employment of an RDW is terminated for non-disciplinary reasons, the Local Board can place that worker's name on the TUR. An RDW's employment does not therefore depend upon the success of his employer's company.

#### **Casualism**

The Dock Labour Scheme of 1967 attempted to mitigate the problems brought about by the practice of casual employment. In 1916, Joint Committees had been established by the Board of Trade in 32 large ports to decide which dock workers to exempt from national service. After the war these committees continued to deal with the problem of a sudden influx of large numbers of demobilised men into the docks as casual labourers. In September 1931, a National Standing Advisory Committee of employers and trade unions first met. The intention was to decasualise the industry.

It was not until the 1967 Scheme that each RDW was given permanent employment with a single employer. The authors of the Dock Labour Scheme believed that it would end the difficulties facing the ports. In fact the system of joint control started a cumulative problem. It did not cure the industry of industrial relations problems. It was this that led to the next report on the industry, Aldington-Jones.

#### **1972: Aldington-Jones**

The Aldington-Jones Joint Special Committee on the Ports Industry was established against the background of a threatened national strike. The Committee produced an Interim Report less than two months after being set up, which found that 'the TUR is no longer fulfilling the purpose for which it was designed', and that the RDWs' sense of insecurity caused by the existence of the TUR was a major factor in the problems facing the industry. This conclusion now seems incredible, since the TUR allowed men to stay in the industry instead of becoming unemployed.

The Interim Report recommended that the TUR should be abolished by reallocating all the men on it to employers, and that in future, 'in the event of any port employer's business failing . . . the men who would otherwise have been relegated to the TUR should be reallocated to other employers', whether or not those employers needed the additional workers. It also concluded that the terms of voluntary severance should be bettered and that the Government should finance a Special Voluntary Severance Scheme (SVSS). The SVSS was aimed at

men over 55 years old and those medically unfit. In consequence, 8,389 men left the industry at a cost of £30.6 million, vastly in excess of the Government's original calculation of £7.5 million.

#### **The Scheme's weaknesses**

New methods of cargo handling and changes in the national economy highlighted the weaknesses of the Scheme from the late 1960s onwards. The development of roll-on, roll-off (roro) transportation and of containerisation meant that cargoes were loaded into containers at the place of production, put on a lorry and driven into a ship and then straight off at the port of destination. The last two decades have seen other technological developments in handling machinery such as fork-lift trucks and cranes. These changes have meant that a larger volume of cargo requires fewer workers to handle it. But the Scheme has not matched this progress – definitions of dock work have not changed since 1947. The legislation, still in force, refers to dockwork excluding 'the loading carts by horse drivers in the ports of Penzance, Hayle, Portreath, Porthleven and Newlyn'.

Also, Britain's membership of the European Community since 1972 has led to the transfer of trade from the West coast of Britain to the East coast. The increased competition between the Eastern ports and their close neighbours on the continent has added weight to the argument of those who have held that the Dock Labour Scheme should be abolished.

One incident which catalysed this view was a dispute in Liverpool in 1980 over the reallocation of redundant RDWs following the closure of two companies. The Liverpool LDLB asked all local registered employers if they would employ additional RDWs. All the employers answered that they could not. The average surplus labour in the Liverpool docks was about 800 men per day.

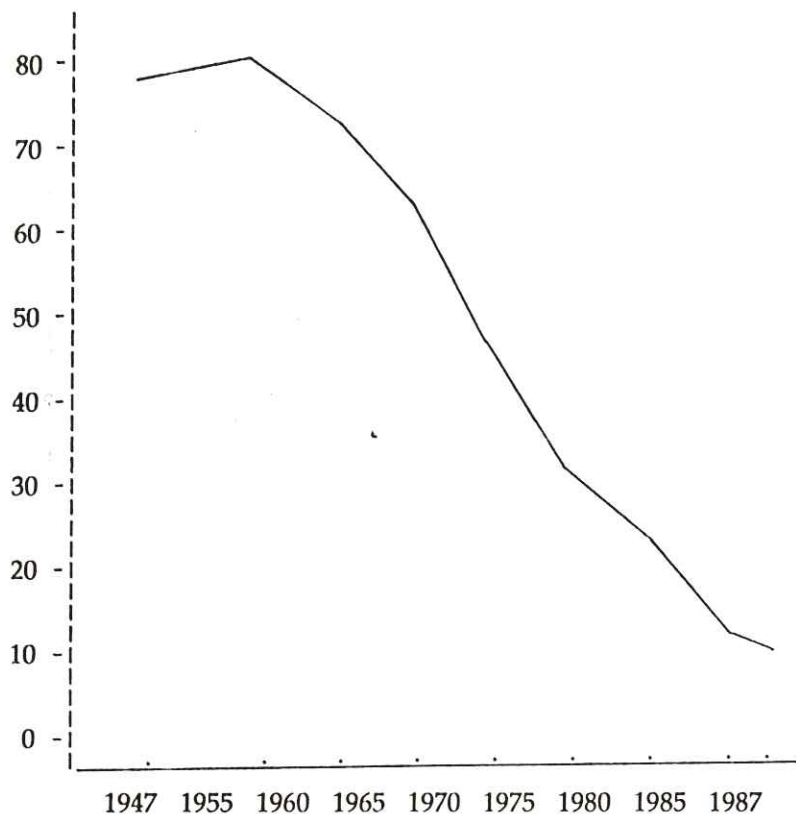
Nevertheless, the NDLB insisted that there should be no compulsory redundancies. The union warned that any attempt by the employers to set up a TUR would result in an immediate strike in Liverpool. Such a strike would probably have been followed by a national one. The National Association of Port Employers (NAPE) considered that a protracted national strike would not be in its interests, and that therefore the demands of the trade unions should be met. So the permanent workers who

had been made redundant were allocated to other employers, all of whom had disclaimed their need for additional workers.

#### **Conclusion**

There have been no material changes to the Scheme during the 1980s; but there has been massive rationalisation and improvement of industrial relations throughout the rest of British industry. Each Scheme port stands as a fossil amidst an economic wasteland of its own creation. I shall show how the Scheme encourages practices of unimaginable wastefulness; undermines effective management; destroys discipline; stultifies technological development and by a combination of high costs and low reliability, drives away business. These abuses are paid for directly by the dock's customers, and indirectly by the people living in the hinterlands of the port who cannot find employment. A scheme designed to enhance efficiency has in fact destroyed competitiveness; a scheme designed to guarantee supply of labour, has crippled capacity and created unemployment. Unfortunately, good intentions have created a legislative monster.

Number of Registered Dock Workers (000s)



Source: National Dock Labour Board Statistics

### Chronology

- 1947 Dock Workers (Regulation of Employment) Order establishes the National Dock Labour Scheme. There are at this time 79,769 Registered Dock Workers.
- 1964 The Devlin Committee recommends that a system of permanent employment is needed to safeguard the efficiency of the ports industry.
- 1967 Dock Workers (Regulation of Employment) (Amendment) Order implements the proposals of the Devlin Committee. By the end of the year, there are only 56,808 RDWs.
- 1972 Aldington-Jones Committee examines the operation of the Dock Labour Scheme against the background of a threatened national strike.
- 1977 The number of Registered Dock Workers falls below 30,000.
- 1984 Two national dock strikes. By now there are only 12,505 RDWs.
- 1988 Parliament debates the Dock Labour Scheme, and 224 Conservative back-benchers sign an Early Day Motion advocating its abolition. As of November 1988, there are just 9,527 RDWs.



## The Scheme today: abuse and decay

The damage caused by the Dock Labour Scheme results from its very structure. It undermines management and tends to protect every job, which generates a multitude of wasteful practices and abuses.

### Neutered management/discipline

The worst abuses of the Dock Labour Scheme lie in the disciplining of the RDWs, and the resolution of disputes.

Only two disciplinary penalties against an RDW exist – suspension for up to five working days without pay, or dismissal by his permanent employer. All decisions taken by employers about discipline can be reviewed by the Local Board. For instance, if an RDW is suspended from work, the Local Board is empowered to reverse this penalty. Even when an employer dismisses an RDW, that worker is placed by the NDLB on the TUR until his case is heard by the Local Board – which can then reinstate him and compel his previous employer to take him back.

Although an employer can dismiss a worker from his employment, that worker can be struck off the register, and hence dismissed from the industry, only by the Local Board. It can be argued that equal representation of employers and trade unions on the Local Board, and on the Appeal Tribunal in most Local Board areas, should make for a fair disciplinary procedure; but in practice the system fails to achieve fairness.

If the Appeal Tribunal upholds the employer's decision to dismiss an RDW, then that worker is removed from the register and is effectively prevented from working again in the port industry. This places considerable pressure upon the members of the Appeal Tribunal to uphold the RDW's appeal. The difficulties with the disciplinary system are revealed in two written answers given by Mr Patrick Nicholls, the Parliamentary Under-Secretary of State for Employment, in Hansard on 31 March 1988. He told MPs that of the 26 RDWs dismissed on disciplinary grounds by their employers between 1980 and 1986 in the West Scotland LDLB area, 24 were reinstated by the LDLB and Appeal Tribunals, and that of the 12 RDWs dismissed on

disciplinary grounds by their employers over the same period in the Hull and Goole area, all were reinstated.

The system of so-called joint control is no more than a facade hiding the fact that the trade unions in the ports industry are able to prevent employers from disciplining workers on reasonable grounds, and thus from running commercially viable businesses. When disciplinary disputes have arisen, the NDLB has sought to settle them to the satisfaction of the trade unions and the RDWs heedless of the cost to the employers.

Three years ago, an RDW at one of the Humberside ports was convicted of smuggling. The offence was serious enough to warrant a gaol sentence. The man served seven months. Although this was a criminal affair, directly related to his work, it proved impossible to dismiss him; and on his release from prison he was reinstated. Similar cases involving theft have occurred elsewhere. This means that it is next to impossible to maintain discipline in the Scheme docks, as every docker who works in them knows. Every customer knows this too, and takes his custom elsewhere.

The Dock Labour Scheme has created a complicated, expensive and unnecessary bureaucracy. The employers have to pay a 'Management Levy', in addition to the levy paid in respect of the National Voluntary Severance Scheme, to finance the costs of the NDLB. This 'Management Levy' takes the form of a surcharge of 2.75 per cent on the gross wages of permanent RDWs and of 12.75 per cent on those of supplementary workers. So the employers have to pay to allow the Unions to overturn their own decisions – in 1987 to the tune of £4.34 million.

### Technological demands versus fossilised supply

The thrust of the legislation has been to protect individual jobs – rather than to preserve employment. The effect has been to paralyse the ports with inappropriate levels of labour, skills and practices. Throughout the post-war period technological change has greatly diminished the cost of loading and unloading vessels. Whilst non-Scheme ports and our competitor nations have taken advantage of these changes, the NDLS has allowed the unions to thwart this process, or at least dramatically to reduce the cost savings by enforcing overmanning. This has caused a drop in the volume of business going through the Scheme ports, making

the fixed manning levels even more ludicrous. A well-intentioned scheme has turned into a vicious circle, generating the commercially suicidal behaviour in today's Scheme ports.

#### **Wasteful practices**

The Scheme ports are also plagued by many wasteful practices whose effects upon the running costs of the docks are disastrous.

##### *Bobbing or Welting*

The most common bad practice is known variously around the country as 'bobbing' or 'welting'. The LDLB determines the number of men to be allocated to each employer, but because this number is unrealistically high, some turn up for work and some 'bob off'. It is not unusual for a third of a gang paid to load or unload a ship to be absent at any one time. This abuse – and the 'work ethic' that it induces – is entirely the result of having unnecessary workers on the pay-roll. Dockers are also paid 'disappointment money'. This is paid when an expected ship fails to turn up, and an expected bonus thus fails to materialise. Since RDWs are guaranteed a minimum weekly 'fall-back' pay even if there is nothing for them to do, and because 'bobbing' and 'welting' gives them extra free time during the working week, they are able to earn more money by moonlighting as taxi drivers, etc.

##### *Ghosting*

This is the practice whereby a non-dock worker doing some work in the dock has to have, for each job, an RDW accompanying him. For instance, when an employer brings in a specialised worker, he has to be accompanied by an RDW. In theory, the registered worker watches the non-registered worker, but in practice he often prefers to go home. In some circumstances non-registered workers can do all the unloading; in others there may be no work to do, where unloading is virtually automatic.

For example, in the port of Goole there is a new cement unloading unit. When a cement ship comes in, the crew connect up a manifold to their ship and the cement is blown out into the silo which holds it. But the port, and therefore the customers, still have to pay two dockers to ghost it. They don't do anything. They may not even be there, but they are paid all the same. And when the cement is loaded onto a vehicle and weighed out at the weighbridge a docker ghosts the man who operates the weighbridge. At every turn the customer pays.

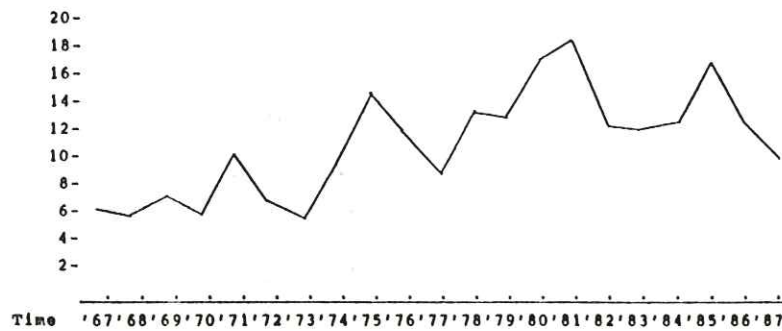
#### **Disciplinary side-effects**

One last example illustrates the problems faced by the employers in the Scheme ports, and the indiscipline of the RDWs. A vessel at one of the Scheme ports had been almost unloaded by noon on 24 December 1987. Although the dockers involved were being paid until 4 p.m., none returned to work in the afternoon. In consequence four hours additional overtime had to be paid on Saturday 26 December to complete unloading the vessel, although this only required two hours work. About £2,000 in demurrage charges were also incurred. Port management and port users are powerless in these circumstances.

#### **Surplus labour**

The special privileges which the Scheme gives to the RDWs have resulted in gross overmanning in the Scheme ports. The 1986 *Annual Report* of the NDLB revealed that the average daily total of registered workers was 11,168. Even after allowing for sickness, holiday and other absences, 1,354 were not needed – an average daily surplus of 12% of the register. This is just an aggregate number that conceals much worse figures; the average daily surplus in 1986 in the port of Sunderland was 46%. One of the aims of the Dock Labour Scheme, as set out in Clause 1 (2) of Schedule 2 to the Dock Workers (Regulation of Employment) (Amendment) Order 1967, is 'to secure that an adequate number of dock workers is available for the efficient performance of dock work'. In fact, since the decasualisation of employment, the operation of the Scheme has yielded the average daily surplus of RDWs shown overleaf.

### Average Surplus as % of Register



Source – NDLB Statistics

#### Definition of dock work

Clause 1 (3) of the 1967 Dock Workers Employment Scheme says that the Scheme 'shall apply to the same classes or descriptions of dock work and dock workers as, immediately before the coming into operation of the . . . Scheme of 1947, were included in any dock labour scheme or port registration scheme then in operation in respect to that port'. The employers in the Scheme ports in 1988 are subject to the definitions of what constituted dock work in 1947. To compound the problem, the definitions of key phrases are quite unspecific, which has led to several different interpretations of them.

As would be expected, the TGWU interprets definitions in ways that will acquire most 'work' for its members. Often this leads to clashes with other unions - the NUR for example.

Disputed interpretations of the definition of 'dock work' often have to be resolved in a matter of a hours. Employers are often forced to acquiesce to the union's demands just to keep business in their port. The employers know that if they do not, and labour stops, the owner of the vessel is likely to take it to the nearest non-Scheme port to have the cargo unloaded there.

Employers generally refrain from buying premises anywhere near a port if they intend to handle, store or transport materials, for fear of being forced to employ dockers. The 'definition' allows dockers to take work from other workers, and to drive away work which they themselves cannot perform.

#### Ageing workforce

The NDLB 1986 *Annual Report* also said that the Board was concerned at the continuing rise in the average age of RDWs; it increased from 42.5 years in 1973 to 47.1 years in 1986. But how many people would give up the highly paid, guaranteed, almost unsackable position of a modern docker, least of all an unskilled man in his '50s living in the midst of a waste land?

Indeed, in Wisbech the average age was 56.6 years<sup>1</sup>. Although such an average age may not be a matter for concern in some jobs, most dock work is manual; so a steadily increasing average age does present a problem. Nor does age render easy the acceptance of new technology. Also, the Dock Labour Scheme has discouraged the recruitment of the young men needed to rejuvenate the workforce of Scheme ports.

#### 'Two Nations' of employees

One result of the privileges which the RDWs enjoy is 'two nations' among the port employees. Since 1967 this has become glaring. In that year RDWs were given the same permanent status which the non-registered employees already had, but without losing any of their singular rights. The Scheme prevents fair treatment of non-registered dock employees in conditions of employment, security of employment and discipline. RDWs are required only to carry out specific functions, can go home with a guaranteed minimum wage if there is no work for them, and can be made redundant only voluntarily. Their job is guaranteed even if their employer goes out of business, and they can be disciplined only with the permission of the union representatives on the Local Board.

In contrast, non-registered dock workers must remain at their workplace for the full period of their shift, and can be made redundant compulsorily with much less severance pay in some ports than RDWs receive. They are dependent upon the success of their employers for their jobs, and can be dismissed for the same offences for which an RDW will be suspended for 5 days – if he is punished at all. This discriminatory legislation makes it difficult for employers to foster loyalty to the company among the RDWs, or 'esprit de corps' among any part of the workforce.

### Decline of Scheme ports

The inflexible, monopolistic practices operating in the Scheme ports undermine the morale and authority of the registered employers. The cumulative effect of unions overruling management, the waste, indiscipline and surplus labour have all contributed to the decline of these ports and their environs. Users of the ports are increasingly reluctant to have their cargoes handled by Scheme ports because of the extra costs brought by such restrictive practices.

### Competitive impact of the Scheme

In order to compare the Scheme and non-Scheme ports, here are collated statistics for 32 Scheme ports and 10 non-Scheme ports, for the first quarter of 1987.<sup>2</sup>

	£ million	
	Scheme	Non-Scheme
Total foodstuffs	1,940	1,327
Total crude materials	1,203	576
Total manufactured goods	8,280	9,895
Total non-fuel trade	13,523	14,519
Total imports	8,609	7,865
Total exports	6,426	5,833
Total trade	15,035	13,698
Average value	470	1,379

Source: HM Customs and Excise data

In technology, productivity and sheer ability to compete the non-Scheme ports outclass the Scheme ports completely. The crippling effect of the Scheme is clear, all the more so given that the Scheme ports are generally situated in the best physical locations.

According to the *Financial Times* on 16 November 1987, 'with the Scheme ports being typically the old ports, dominant in the bulk cargo trades, it can hardly be a coincidence that the modern container and roll on-roll off traffic has been drawn to the non-Scheme ports . . .' Over the first three months of 1987, the 32 Scheme ports handled a total of 5,032,000 tonnes of

containerised and ro-ro cargoes; an average of 157,000 tonnes each. The 10 non-Scheme ports handled a total of 5,031,000 tonnes of such trade, or an average of 503,000 tonnes each. The average non-Scheme port in this study handled 3.2 times as much containerised and ro-ro trade as the average Scheme port. The average value of goods through the non-Scheme ports is higher than through the Scheme ports. In technology, productivity and ability to compete the non-Scheme ports utterly outclass the Scheme ports. When one remembers that the Scheme ports generally are situated in the best locations and should therefore have a major advantage, the crippling effect of the scheme becomes clear.

### References:-

- 1 Given in a written answer to a Parliamentary Question, *Hansard* (Commons) 18 January 1988 Column 511-512.
- 2 The ports studied are listed in Appendix 1.

## Effects of the Scheme

The Scheme adversely affects shipping costs, port and port area development, industrial relations and recruitment – a comprehensive catalogue.

### Shipping

The Dock Labour Scheme adds to the cost of all the goods that travel through Scheme ports. This extra cost is directly met by the port employers and those who import or export goods through these ports, but ultimately it is the customer who pays because the goods sell at a higher price than they would otherwise. At present some companies find it cheaper to unload goods in European ports and then bring them over to England instead of having them unloaded at a Scheme port. As Nicholas Bennett, MP for Pembroke, pointed out in Parliament,

it is interesting to note that the average cost per tonne in Rotterdam and Antwerp is between £2.50 and £ 3.50. In the United Kingdom, the average cost per tonne is between £7 and £15. Only a very patriotic cargo vessel owner would choose the United Kingdom if he had a choice between unloading in Europe or in the United Kingdom <sup>1</sup>.

Jacques Arnold, MP for Gravesham, has spoken in similar terms,

the Dock Labour Scheme is a killer of British jobs, and a developer of jobs on the Continent. A company that used to unload bulk goods at a local wharf in my constituency found that by unloading the very same goods at a Continental port and then bringing them over to the South-east of England, it could exactly halve its costs. Moreover, the speed at which the ships could be turned round meant savings of thousands of pounds – or francs, or guilders – which made a major impact on business.

What was the consequence? Yet another wharf in my constituency went to the wall. What

happened to the people who worked there? The 55 registered dockers all marched to Tilbury to go on the payroll there – thus compounding the problems of Tilbury, which is itself closing docks because it cannot compete for business. Twenty-seven of my local people who were the second-class workers of that wharf went straight on the dole.<sup>2</sup>

### Ports

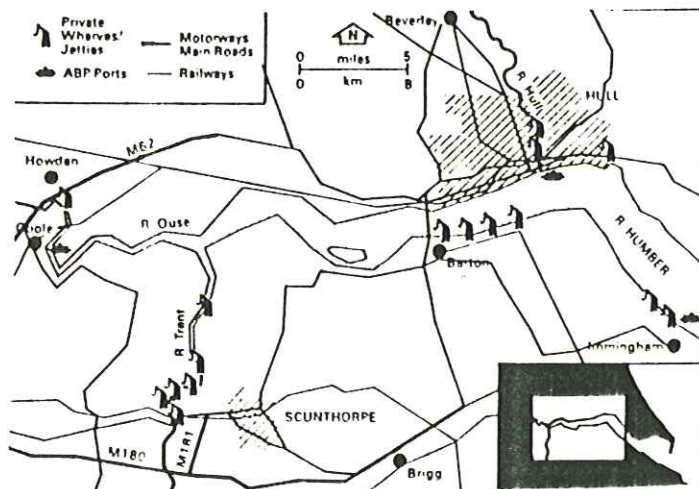
It is undeniable that the Scheme drives work away from the ports in which it operates. The decline can be measured in several ways. For instance, the total number of RDWs has fallen from 79,769 in 1947 to only 9,527 in 1988, according to NDLB statistics. The average daily total of RDWs in 1986 was 11,168 but, of this number, 1,354 men or 12% were surplus to needs on an average daily basis<sup>3</sup>. Not enough trade was going through the Scheme ports to justify the employment of one in every eight RDWs. Many employers have gone out of business; the number licensed to employ RDWs has fallen from 260 in 1981 to 212 in 1988, and those actually employing RDWs on a full-time basis fell over the same period from 178 to 147 <sup>4</sup>.

When the Dock Labour Scheme was introduced in 1947, 84 ports came within its operation. There are now only 63 such ports. The number of non-Scheme ports has risen from 14 in 1965 to 36 in 1986. The NDLB revealed in its 1986 *Annual Report* that it was worried about the growth of non-Scheme ports,

there is growing concern over the increasing number of non-Scheme projects which have been and are being developed, often in close proximity to existing Scheme ports. This has been particularly noticeable on the Ouse and Trent rivers, and in the vicinity of the Wash. In some cases, the National Board took the unusual step of expressing its concern to the local authorities which were involved in the planning application. In one case, Sutton Bridge, the matter was referred to an Industrial Tribunal. Unfortunately the Tribunal's decision went against the Board and in consequence, the development of this new facility,

with its potential for adversely affecting the traffic and employment of registered dock workers at the nearby Scheme ports is the cause of anxiety both locally and to the National Board.

The growth of non-Scheme ports and private wharves is a direct consequence of the inefficiencies imposed by the Scheme. Its defenders have argued that the decline of Scheme ports has occurred because of changing patterns of trade – away from the Commonwealth and towards the EC. This does not explain why non-Scheme Felixstowe has far outgrown the better placed, well-established Scheme port of Ipswich nearby. Nor does it explain why the private wharves on the Ouse and Trent rivers referred to in the NDLB's annual report are growing. The map below shows their location along with their competitor Scheme ports. The Scheme ports have all the apparent advantages – deeper water, more capital investment, better roads – but the 50 or more tiny private wharves have grown inexorably from almost nothing. Between 1981-86 their share of Humber traffic grew from about 15% to 21%, and it is still growing. But these wharves are limited. They cannot hope to give the level of service which the Scheme ports could give, if only they were deregulated.



Many companies who wanted to establish businesses in Scheme port areas have been forced to abandon their plans because they were either unwilling or unable to afford the extra costs that the Scheme would impose upon them.

In a letter to Nicholas Bennett MP, Mrs Eleanor Laing told of a group of businessmen who wanted to operate a new dock in the port of Glasgow,

[who] are required to apply to the Clyde Port Authority for an Operations Licence, which they have duly done. The Clyde Port Authority has stated that one of the conditions of the granting of an Operations Licence is that they 'shall employ Registered Dock Labour at the said location on all activities falling under the definition of "Dock Work"' and shall further adhere to the decisions laid down from time to time by the Clyde Port Authority and the National Dock Labour Board'. Negotiations have taken place with the Clyde Port Authority and it appears that the company who intend to operate the dock would be obliged to employ Registered Dock Labour which they calculate would add to their operating costs by approximately £4,200 per week. Such an added expense would make their business unviable and consequently they would be unable to put the dock into operation and to provide the employment opportunities which they had hoped would result from their venture<sup>5</sup>.

Other examples of the Scheme's effects are legion. A plan to establish a maintenance facility for offshore supply vessels at a Scottish port was scrapped because the local dockers demanded all the work for themselves. In Teeside, an area where unemployment is about 19%, the local port authority could take on 20 new dockers a year for the next 10 years if the Scheme was abolished. Plans in several ports to enlarge rail loading facilities for grain or car handling have been scrapped because dockers insisted that one or two vital jobs were theirs, and the employers feared the potential disruption or blackmail that might result<sup>6</sup>.

### Port areas

A further consequence of the Dock Labour Scheme is that the physical redevelopment of the port areas is made more difficult than it would otherwise be. Scheme ports cover over 22,000 acres. This land could be profitably used by many businesses and companies which would bring with them employment and economic activity. It is land which would benefit from the various enterprise schemes. Neil Hamilton, MP for Tatton, pointed out in Parliament the depressing paradox that,

in some of those areas where there is urban devastation, we have one set of laws which removes all restrictions from enterprises setting up within them because they are enterprise zones, yet at the same time, cheek by jowl with that, enterprise is being snuffed out in zones under the Dock Labour Scheme<sup>7</sup>.

The Dock Labour Scheme cannot avoid the indictment that it is responsible for the stark physical decline of the ports operating under its co-called 'protection'.

One of the problems brought about by the Scheme and affecting the port areas concerns the RDWs' claim to a monopoly of all work carried out in the dock area regardless of whether it is actually defined as 'dock work'. In some ports, RDWs have demanded all work relating to the warehouses and stores in the ports. Some of these warehouses, however, have been leased out to companies which do not perform any 'dock work' – for storing goods for domestic distribution. Nevertheless, the RDWs insisted that they should carry out this work, even though the goods stored there cannot be described as cargo, since they have not been imported and are not intended for export. As Dick Millar from the National Association of Warehouse Keepers has said,

it's like a *cordon sanitaire*. The thought never occurs to set up in a dock estate, though of course it would be cheaper and more convenient if we could locate there, rather than up to ten miles away<sup>8</sup>.

### Labour unrest

The dockers' trade union leaders are perfectly comfortable in the knowledge that even if a strike or labour dispute causes a port employer to go out of business, the RDWs will simply be allocated to another employer. They have absolutely nothing to fear from their own actions, whereas the employers have everything to lose. Apart from this, the unions are able to exercise an immense amount of power through the institutionalised system of 'joint control'. The number of man days lost per thousand men due to disputes increased from 1983 to 1984 in the Scheme ports from 6,254 to 19,395.

Another difficulty which arises from the Scheme is that the port employers can be powerless to prevent political strikes. An example of such a strike was that which began at Immingham on 9 July 1984.

Clause 10 (3)(b) of the 1967 Scheme states that 'where a registered employer has in his employment a person who is employed under a contract which requires at least one week's notice for its termination, but who is not a registered dock worker, that employer may, on application to and with the approval in the case of that worker of the local board employ that person on dock work'. Non-registered workers at Immingham had been employed by a contractor in the handling of iron ore for the British Steel Corporation, with the consent of the local board, for about 5 years. These workers had been ghosted by RDWs, but on 9 July the TGWU called the RDWs out on strike. In light of the miners' strike, it was important for British Steel that this work should continue. So the non-registered workers continued working without their 'ghosts'. The TGWU claimed that this was a breach of the Scheme and called an immediate national strike. Even after the local issue at Immingham had been resolved, the national strike continued until 21 July, when an agreement was reached following talks at ACAS. This example shows how the TGWU is able to manipulate the Scheme for its own political purposes, in this case giving support to the miners.

### Disincentive to recruitment

Finally the Scheme prevents port employers from recruiting new RDWs. Many port employers find that for their busiest six or

seven months of the year they would like to recruit new workers; they are not able to do so on a temporary basis, and cannot afford to do so on a permanent one. The result is that they have a shortage of labour during their busy period, and a surplus during their slack period. In September 1987, Mr John Hackney, the Chief Executive of the Tees and Hartlepool Port Authority, said,

we may be short of labour in the very near future, but we will only recruit once we are satisfied that if trade drops in the future, we can reduce our labour force accordingly . . . In Middlesbrough we have not recruited dockers since 1977 and there are many other Scheme ports in exactly the same position<sup>9</sup>.

When the employers do find themselves able to recruit new RDWs, they have to take the people at the top of the waiting list. These tend to be the relatives of existing RDWs. Mr Patrick Nicholls revealed in a parliamentary written answer that 16 Scheme ports were known to give preference when recruiting new RDWs to the relatives of existing dock workers. The situation must be very similar at other Scheme ports. Of the new entrants recruited to the permanent register between 1970 and 1986, 1,972 were the children of existing dockers, while only 1,749 were not. Of course, this last figure includes the brothers, cousins and nephews of existing dockers, as well as those who had no relatives working as dockers.

The port employers do not want to have to recruit dockers' relatives, because in this way the abuses of the Dock Labour Scheme are perpetuated. An RDW's children will have seen their father's attitude to his work and his expectations about working conditions and practices; and they are more than likely to share these attitudes and expectations.

References:-

1. *Hansard* (Commons) 10 March 1988, . Col. 593
2. *Hansard* (Commons) 10 March 1988, Col. 588
3. 1986 NDLB *Annual Report*
4. *Ibid.*

5. Quoted in *Hansard* (Commons) 10 March 1988, Col. 594
6. *The Sunday Times*, 19 June 1988
7. *Hansard* (Commons) 10 March 1988, Col. 584
8. Quoted in *The Sunday Times*, 19 June 1988
9. Quoted in *Lloyds List*, 16 September 1987



## Bad news for employment

The study commissioned by the National Association of Port Employers, and published by the WEFA Group in June 1988, contains a fairly comprehensive summary of the effects of abolishing the Dock Labour Scheme.

### The WEFA Report

This examined the operation of the Scheme today to see whether it fulfilled its originators' objectives. It said that while the Scheme was necessary to deal with the problems of casual employment in an industry essential for post-war reconstruction, the Scheme no longer plays any such useful role.

Permanent employment relationships are now firmly established, and it is difficult to conceive of any other market failure which requires adjustment by the Scheme. The industry is no more essential than, for example, electricity supply.

The WEFA Report compared the travel-to-work areas (as defined by the Department of Employment) of the Scheme ports and the non-Scheme ports. The ports included in the study account for about 75% of the total tonnage. Past growth of employment of the two sets of areas was compared. The Scheme port areas' employment increased by 4.3% between 1984 and 1987. Over the same period, the figure for the non-Scheme port areas was 7.1%. This difference, however, is partly because the non-Scheme ports are in regions of greater economic growth than the Scheme ports. To take this into account, the authors of the WEFA Report standardised the employment levels and hence the growth rate, by introducing into their analyses the increases in employment growth rate of the whole country. In the Scheme port areas between 1984 and 1987 this was 5.8%, while that of the non-Scheme ports was 7.6%. The Report estimated that an extra 45,000 jobs would have been created in the Scheme port areas, if they had had the same rate of employment growth as the non-Scheme port areas. Many of the

Scheme ports are in parts of Britain most in need of higher employment and greater economic activity.

The Report forecast that between the end of 1987 and 1993 the total employment rate would increase by 3.9%. The Scheme port areas would therefore be expected to create 157,690 jobs by 1993. Using the ratio between the percentage increase in employment in the standardised Scheme port areas and that of the non-Scheme port areas, if the Scheme port areas were creating jobs at this rate, they would create 206,773 jobs by 1993: which is 48,918 more jobs than the projection. So the Dock Labour Scheme may be considered responsible for a tremendous shortfall in potential job creation.

If the Dock Labour Scheme was repealed, the ports presently within the Scheme would enjoy lower operating costs. That would mean greater competition between ports, a reduction in the cost of freight passing through them, and increased trade. The WEFA Report estimated that abolition of the Scheme would generate 4,180 jobs after five years, mainly in the ports themselves and in industries involved in importing and exporting.

As this Report was commissioned by the port employers, the figure may be thought over-optimistic. But in fact 50,000 extra jobs is an underestimate of what will happen after abolition, since the WEFA Report did not take into full account the effects on employment of the Single European Act on the port areas.

### 1992

The Single European Act will be implemented in 1992, removing most of the present barriers to trade within the 12-nation European Community. It will create a single European market of 320 million consumers, and remove the restrictions on the road haulage of goods. There is likely to be even greater use of roll-on, roll-off shipping between Britain and the rest of Europe. The upsurge in trade between Britain and the other European countries, if geography has anything to do with it, should principally benefit Yorkshire and Humberside, the North-East, and the East coast of Scotland. Scheme ports in these areas will all profit from the increase in trade with Europe, but only if the Dock Labour Scheme is repealed. If it is not abolished, that trade will go to the non-Scheme ports, or even be denied entirely to these areas.

### Cecchini report

In 1986, Signor Paolo Cecchini was commissioned by Lord Cockfield to undertake on behalf of the European Commission a detailed study of the probable economic consequences of a single European market. His report concluded that the gains likely to result are enormous. The increased competition which will come in 1992 will create a downwards pressure on prices and costs and an increase in output, employment and investment. Prices will fall and consumers will have very much more choice. Britain is especially well placed to gain from this. It will be more attractive than most other European nations to companies in America, Japan, Korea, Australia and a number of other investor nations because of language, of political stability and well respected commercial and legal practices, and most of all because of our thriving economy and the high return on capital invested here. But these gains depend upon there being no trade union strangleholds over the profitable and efficient expansion of our physical trade within and without Europe. So unless the Dock Labour Scheme is repealed before 1992, Britain will fail to enjoy these trading opportunities to the full, and job opportunities will be lost in all sorts of our industries.

## 6

### What is needed now

During the Commons debate on the National Dock Labour Scheme on 10 March, 1988, the Parliamentary Under-Secretary of State for Employment said,

I suppose that it would be true to say that starting from now, nobody with the industry's well-being at heart would design something so rigid and bureaucratic . . . In my view, all those who wish to preserve the Scheme . . . have a duty to show how it can be made to assist the industry and how abuses can be stopped.<sup>1</sup>

Who would disagree with the sentiments of Mr Nicholls? Nor have proponents of the Scheme provided an adequate defence of it -- but, since it operates in such a manifestly indefensible way, that is scarcely possible.

#### 'Withering on the vine'

Some have argued, however, that the Scheme can be left to wither away over a period of time. They say that the Scheme has shrunk to only 10,000 workers and so is becoming less and less important. But this argument fails to take into account the fact that the decline in the Scheme employment is reflected outside the docks by the wholesale destruction of jobs and job prospects in the surrounding areas. It also accepts the abandonment of some of the best deep-water port locations, supported by superb infrastructure. In short, the argument makes neither local nor national sense.

Nor indeed will the Scheme simply 'wither away' if it is left to die a natural death. According to a parliamentary written answer on 16 November, 1987, 18.8% of RDWs were under 40 years of age; 41.3% were between 40 and 49 years of age; 37% were between 50 and 59 years of age; and 2.9% were 60 years of age or over. Although the average age of RDWs has been gradually rising, it was still only 46.3 years in 1986. So there are another twenty years to go -- even if no more RDWs were

recruited. (In fact some recruitment is unavoidable under the Scheme unless ports are to close).

As long as the Scheme is in existence, it will continue to blight all those areas in which the ports operate – an inverted Midas touch costing the port areas jobs, investment and a chance of improvement. The Dock Labour Scheme was introduced by a Labour Government. It is enshrined in legislation. The only way of ending the Scheme is for legislation to be introduced by this Government.

### **Freezing the scheme**

It would be quite easy to introduce legislation which would 'freeze' the Scheme, i.e. let it continue to apply to RDWs, but not to new entrants to the permanent register. The Transport and General Workers Union might well look on this as a compromise that would at least safeguard the protection the Scheme gives to existing RDWs. But, given the approach of 1992, such a course of action would be far from satisfactory. Merely to freeze the Scheme would not solve the problems of indiscipline and managerial responsibility which result from the system of 'joint control', and from the operation of the NDLB and the twenty LDLBs. The ports industry cannot afford to pay for all the wasteful practices which would operate for another two decades. Indeed, freezing the Scheme would not just let lie the problem of 'two nations' among port employees – it would actually make it worse, by creating 'three nations'. For there would then be Registered Dock Workers and non-registered employees as at present, together with a third group – of non-registered dock workers.

And freezing the Scheme would in any case take as much parliamentary time as abolishing it outright. The Dock Workers Employment Scheme 1967 lays down in Clause 10(1) that: 'No person other than a registered employer and the National Board shall . . . employ a worker on dock work unless that worker is a Registered Dock Worker.' So the Scheme as it stands would have to be amended, even if it was only to be frozen.

### **A negotiated settlement**

On 11 May 1988, the author proposed a 10 minute rule Bill in the House of Commons, to abolish the Scheme by the end of

1992 in the absence of a negotiated alternative between the unions and port employers. The aim was in part to see if there was any intermediate position between outright abolition and something that might be more acceptable to the Labour Party and the TGWU. In fact, the Bill was opposed by a TGWU-sponsored MP, quite uncompromisingly. The Labour Party turned out 167 members to oppose the Bill and emotions ran high. It seems improbable that any compromise exists that will be treated with any degree of reason, either by the official Opposition or by the TGWU.

### **Repeal of the Scheme**

Abolition of the Scheme will allow the managers of Scheme ports to start recruiting more people who are willing to do 'a fair day's work for a fair day's pay'. It will help to attract investment, both to the ports themselves and to their neighbouring areas. It will allow port managers to treat all their employees fairly and as equals, and it will allow managerial sensitivity towards both labour requirements and business opportunities.

The port employers realise that repeal of the Dock Labour Scheme will not on its own be a panacea. The Scheme ports would not all become profitable overnight; indeed, repeal may cause substantial short-term problems. Nevertheless the port employers are ready to accept certain sacrifices in order to be allowed to run their ports as they wish in the long-term. As an editorial in *The Times* on 22 January 1988 said,

abolishing the Scheme would not transform the docks overnight. But it would end the insidious belief among dockers that they are employed not by the ports but by the Boards, and would allow the employers to begin serious negotiations for changes in working practices.

The present political ethos makes abolition a natural step towards the Government's aims to create jobs, and to revive industry and inner cities. Indeed, the Scheme must be repealed if the Government is to live up to the 1985 White Paper, *Employment: The Challenge for the Nation*, which clearly states: 'The key contribution of Government in a free society is to do all it

can to create a climate in which enterprise can flourish, above all by removing obstacles to the working of markets, especially the labour market<sup>2</sup>. This is the challenge which the Government set for itself, and until the Dock Labour Scheme is repealed, it will not have met that challenge.

References:

- 1 *Hansard (Commons)*, 10 March 1988, Column 601
- 2 Cmnd 9474, HMSO

## A dock strike?

The previous chapters should have dispelled any belief that the Scheme's effects were other than extremely damaging. Argument for inaction must therefore rest on the assertion that the risks of any change are too great. That assertion in turn implies a number of beliefs. First, that the probability of a strike is high; second, that the strike would be prolonged, third, that the effects of the strike would be unacceptable; and fourth, that the damage could not be mitigated by prior governmental and other action.

The risks of abolishing the Scheme may be initially assessed by identifying what actions by the dockworkers would be legally possible, and then by estimating what their likely decisions would be, both individually and collectively.

### Legal issues

It is safe to assume that were the Government to announce the introduction of a Bill to repeal the National Dock Labour Scheme, the Transport and General Workers' Union would immediately hold a ballot to win enough support to declare a national dock strike. Assuming that they won this ballot, such a strike would then start in the Scheme ports. If the TGWU is to have immunity from civil actions for damages resulting from a dock strike, it would have to be recognised by the law as a 'trade dispute'. This would probably be decided by the High Court, with the loser almost certainly taking the case to the Court of Appeal, and possibly to the House of Lords. As Dr Charles Hanson wrote in a recent article, 'if the eventual decision went against the TGWU it would risk a large fine and the possible sequestration of all its assets if it persisted with a strike'<sup>1</sup>. In this chapter it is assumed that such a decision would go in favour of the TGWU – by no means a certainty.

According to section 29 (1) of the Trade Union and Labour Relations Act 1974, as amended by section 18 (2) of the Employment Act 1982, a 'trade dispute' must be between workers and their employer. Because repeal of the Scheme would not affect the conditions of employment, matters of

discipline, the consultation machinery, the termination of employment or allocation of work for dock workers in the non-Scheme ports, the only strike that could be called in the non-Scheme ports is one in sympathy for the RDWs in the Scheme ports. The legislation, however, on trade unions and industrial disputes brought in by this Government has laid down that a sympathy strike, by definition, cannot be 'in contemplation, or furtherance of a trade dispute'. Therefore if the non-Scheme workers were called out on a strike in sympathy with the Scheme port RDWs, the employers in the non-Scheme ports would be able to obtain injunctions against the trade unions involved and damages for any losses incurred. To quote Dr Hanson once more, '... if it was found that a trade dispute existed within the definition of the Act, the TGWU would have legal immunity, provided it kept within the rules and did not attempt secondary picketing of the non-Scheme ports or other illegal action'<sup>2</sup>.

The law may allow the registered dock workers to strike against any change in their conditions even if imposed by Parliament. What it will not allow is the extension of such a strike to the non-Scheme ports, or anybody else whose terms and conditions will not be affected by the Government's action. The scope and impact of any strike is therefore limited.

#### The dockers' decision

Before attempting to judge what decision the dockers are likely to take about strike action, let us assess the implications of the abolition of the Scheme for the individual worker. This involves making assumptions about any compensation package that might be available. Here it should be said that the National Association of Port Employers has set its face against what it terms 'buying the book', or buying out the bad practices. It does this not only on financial grounds, but also because it believes that the non-registered dock workers would see such an action as grotesquely unfair. Nevertheless some compensation package might well be offered in order to put an end to the Scheme. Some people may indeed argue that it is better to have a single injustice than a perpetual one; better to pay the price now, in cash, than to pay it for ever in jobs.

Such a package might fall into two parts: severance

payments for those who would lose their jobs, and buy-out payments for those who would continue to work in the port, but to a different set of rules.

It is possible that in the short term abolition would lead to a national figure of 15% redundancies. In the medium term, (and in many ports at once) abolition would be likely to lead to an increase in a number of dock workers. Let us assume, however, a manpower reduction of 15% in the first instance. On past practice men would receive between £25,000 and £35,000 each, depending upon location.

Some 37% of Registered Dock Workers were between 50 and 59 years of age in June 1987, who will be eligible for significantly enhanced retirement benefits. For example a dock worker aged 50 is guaranteed a pension based on 15 years' membership of the RDW's pension scheme – although it has existed only since April 1978. In addition, a reduced actuarial reduction is applied to the RDW's pension from the age of 55 – one which cannot exceed 50%. Most of this group will not wish to stay on and cope with the change in work practices which will follow abolition. But those taking severance or early retirement should not find abolition financially painful.

Going on strike, on the other hand, can be very painful.

TABLE  
Registered Dock Workers employed by  
Associated British Ports – current  
average weekly earnings (£)

Southampton	322.85
Southampton Container Terminals Ltd	345.27
Hull	309.09
Grimsby & Immingham	385.67
Goole	384.91
Barry	598.06
Plymouth	277.73

June, 1988

The table shows the average weekly earnings of Registered

Dock Workers from a selection of British ports for 1988. A fuller table for 1987 for all Scheme ports is shown in Appendix 3. It can be seen that registered dock workers take home a sizeable pay packet. Losing this income even for a short time would not be pleasant – least of all if dockers had little prospect of winning. Would they believe that the Government would back down?

The impact of abolition on RDWs' pay packets is uncertain, since it would be subject to negotiation. It is possible that they might even increase. Certainly the pattern and pace of work would change. But almost any imaginable scheme of compensation would make a decision to strike financially ludicrous – for anyone wanting to work.

Finally, it may be open to the Government and/or the port employers to limit such lucrative terms to those who are at work by a certain date. This method, used to bring the coal strike to an end, would be very effective in 'the all or nothing' strategy that might be followed if there is a national dock strike.

For the individual, therefore, a strike looks unattractive. Nor can the TGWU appeal to the sense of collective solidarity that is common in the tight-knit communities of, say, the coal fields. In this respect they will not be able to match the NUM or even the NUS for the psychological support engendered by common action against a joint 'enemy'. Since the inception of this paper, many people who live and work in and around the Scheme ports have come forward in support of the abolition of the Scheme; they see the scandal of so many of the practices.

The non-registered Scheme port workers are unlikely to give very powerful support to the strike, because they bitterly resent the privileges that the Scheme confers upon the RDWs. In a few but important cases, this may allow the ports to operate more or less as normal, particularly where the RDW simply ghosts the work. 1984 showed that even RDWs were not uniform in their reaction to a strike call. During the second national strike that year, which lasted from 24 August to 19 September, RDWs continued working at various Scheme ports including London, Grimsby, Poole, Hartlepool, Plymouth and King's Lynn. So it is probable that even if every Scheme port went on strike, some would be back at work very soon.

The likelihood is that the RDWs would gradually lose heart. After the parliamentary activity this year about the Dock Labour

Scheme, most realistic RDWs expect it to be repealed. This sense of fatalism would fuel dejection as the strike wore on, without prospect of victory. The loss of four or five weeks' wages will be a heavy burden to bear.

#### **Duration of strike**

An important factor in determining the length of the strike will be the attitude to the strike taken by workers in the non-Scheme ports. Although they may withdraw their labour for two or three days at the start of the strike, they would be likely to be back at work soon. The non-Scheme ports did not support the second national strike in 1984. In any case strikes in these ports would be illegal.

Loss of income and the generosity of severance terms will influence the length of the strike. Should the strike start at a time of year when the strikers have least money in their pockets, eg. after holidays or after Christmas, return to work will be all the sooner. Again, putting a final date on the severance and buy-out arrangements (or even dismissing workers who stay out longer than a certain date), are all possible tactics which may influence a strike's duration. Perhaps the strike might collapse in a piecemeal fashion, with some ports returning after a week or two, and others such as Liverpool, Hull and maybe Southampton holding on for much longer. Even in these more militant communities the public is unlikely to tolerate a protracted strike; community support would be slight. If the severance scheme is generous, early retirement arrangements are good and compulsory redundancies are few, the strikers will have no case and every argument will be on the side of the Government.

#### **Trade effects**

A study of the traffic through 41 Scheme ports and 27 non-Scheme ports<sup>3</sup> has been made to show the likely consequences of a national dock strike on commodity flow and cargo movements. The figures for the total trade through all ports in Great Britain are shown overleaf.

	000 tonnes				TOTAL
	Foreign Imports	Traffic Exports	Domestic Inwards	Traffic Outwards	
Liquid bulk	56,907	100,815	53,605	56,887	268,214
Dry bulk	43,279	22,233	21,774	10,959	98,246
Semi-bulk	15,906	4,024	110	128	20,168
Container/ro-ro	31,115	22,136	2,915	4,017	60,182
Conventional traffic	1,476	1,196	104	164	2,941
Other traffic	-	-	638	2,246	2,883
<b>Total trade</b>	<b>148,683</b>	<b>150,404</b>	<b>79,146</b>	<b>74,401</b>	<b>452,634</b>

Source - Port statistics 1986, published by the Department of Transport and British Ports Association

A comparison of the figures for all these ports and the 68 ports analysed here shows that this study has been reasonably extensive :

	All ports	Ports covered by this study	% of Trade covered by this study
Liquid bulk	268,214	195,938	73%
Dry bulk	98,245	95,466	97%
Semi-bulk	20,168	18,357	91%
Container/ro-ro	60,183	56,093	93%
Conventional traffic	2,940	2,731	93%
<b>Total trade</b>	<b>449,750</b>	<b>368,585</b>	<b>81%</b>

Source - Port Statistics 1986, published by the Department of Transport and British Ports Association

A more detailed breakdown of the figures for the Scheme ports reveals that liquid bulk traffic accounts for well over half their total trade. Most liquid bulk trade is liquid fuel (which is not handled by RDWs); its passage through the ports should therefore not be severely delayed if there is a national dock strike.

	41 Scheme Ports 000 tonnes				TOTAL
	Foreign Imports	Traffic Exports	Domestic Inwards	Traffic Outwards	
Liquid bulk	46,346	39,006	37,877	32,067	155,296
Dry bulk	35,902	17,089	18,442	16,920	88,353
Semi-bulk	12,357	3,126	48	91	15,622
Container/ro-ro	14,821	11,676	845	1,393	28,735
Conventional traffic	1,198	999	25	33	2,255
<b>Total trade</b>	<b>110,624</b>	<b>71,896</b>	<b>57,237</b>	<b>50,504</b>	<b>290,261</b>

Source - Port statistics 1986, published by the Department of Transport and British Ports Association

Although the traffic through the non-Scheme ports should not be seriously affected by a national dock strike by RDWs, it is still instructive to compare the trade figures for these ports with those for the Scheme ports:

	27 Non-Scheme Ports 000 tonnes				TOTAL
	Foreign Imports	Traffic Exports	Domestic Inwards	Traffic Outwards	
Liquid bulk	14,062	6,925	12,656	6,999	40,642
Dry bulk	2,199	1,542	2,977	395	7,113
Semi-bulk	2,258	425	32	20	2,735
Container/ro-ro	16,100	10,282	304	672	27,358
Conventional traffic	232	178	20	46	476
<b>Total trade</b>	<b>34,851</b>	<b>19,352</b>	<b>15,989</b>	<b>8,132</b>	<b>78,324</b>

Source - Port statistics 1986, published by the Department of Transport and British Ports Association

The principal points to emerge are-

- 1 The Scheme ports are more important for imports than exports.
- 2 Scheme ports dominate dry bulk trade, with dry bulk and semi-bulk imports accounting for nearly 50 million tonnes last year.

This is not the place to enter into a detailed, tactical analysis of the response to any strike action. One question, however, is the extent to which non-Scheme ports have spare capacity, particularly for imports. Plans by the TGWU may include an attempt to choke off the dry bulk and semi-bulk imports which come through the Scheme ports in a quantity which the spare capacity of the non-Scheme ports cannot match. The largest of these bulk imports is iron ore, some 13 million tonnes. But iron ore and coal imports can be stockpiled, and British Steel (which relies on both) can at least manage its own unloading where it has dedicated facilities. Other coal imports might be handled by non-Scheme ports. On a smaller scale, it may be advisable also to stockpile certain types of wheat. This should not prove difficult, as intervention and strategic stores exist for just this purpose. The two national dock strikes in 1984 showed that the disruption of trade was manageable.

A resolute use of the law and the judicial process by the employers would also help to minimise disruption of trade, by preventing illegal industrial action.

To sum up:

- i) The TGWU will attempt to call a strike, probably on the announcement of the proposed repeal.
- ii) They may or may not be allowed to treat it as a *bonafide* trade dispute.
- iii) Non-Scheme ports will continue to work.
- iv) If the severance, retirement and buy-out terms are reasonably generous but time-limited, the strike will be short-lived in most ports.
- v) The strike will soon crumble.
- vi) Any physical 'stranglehold' policy of the TGWU cutting off imports can be tackled by a prior stockpiling, diversion to non-Scheme ports, and to some extent by use of non-registered workers in the ports.

There will, of course, be a trading penalty to be faced. If anything, however, the spare capacity for export in non-Scheme ports is greater than for imports, so the cost should be limited. The net effect could even be beneficial!

References:-

- 1 Dr Charles Hanson, 'Time to end the National Dock Labour Scheme', in *Economic Affairs*, Volume 8 No. 5, June/July 1988
- 2 Ibid.
- 3 The ports studied are listed in Appendix 2.



## Conclusion

Hostility towards the casual, unreliable nature of dockwork, which was seen to put those who worked in ports at a great disadvantage with their fellow workers, is a centuries-old phenomenon. And this is easy to understand. Throughout the first half of this century, when those in nearly all other kinds of employment could look forward to a regular income, however meagre, and plan to some degree the livelihoods of their families, the dockworkers endured the indignity of being hired and fired at the whim of times and tides, and had no prospect whatever of any stable, assured future. Small wonder that the reforms of the immediate post-War years seemed to remedy, in the eyes of those who loaded and unloaded the cargoes which brought Britain so much of our food and other necessities, a long-standing grievance. At last dockworkers could hope to enjoy some of the permanence and protection given to the jobs of their fellow-workers.

So the National Dock Labour Scheme was founded with the best of intentions. Nevertheless it soon spawned an indefensible set of industrial practices, increasing costs and destroying jobs in all the Scheme port areas. In the near future, indeed, an unrepealed Scheme would cripple Britain's ability to take advantage of the Single European Act, doing the greatest damage to the impoverished inner city areas of Yorkshire, Humberside, the North East of England and the East Coast of Scotland. So the argument, in short is not just that the Government should act; but that it should act now.

In practice a dock strike is likely to be:-

- i) incomplete, in that it will be unlikely to cover all Scheme ports, and will not include all workers in the ports that do strike;
- ii) ineffective, in that it will not be allowed to include non-Scheme ports;
- iii) expected to fail, after the failures of the NUM and NUS in recent years;
- iv) poorly supported, since given generous severance and

retirement terms there is no conceivable moral case for it; and

- v) liable to crumble quickly except in a very few highly militant ports.

The rights given to Registered Dock Workers under the Scheme should, then, be eliminated; and replaced by the normal protection which employment law gives to the rest of the working population. Nevertheless several tactical considerations should be taken into account before abolition. It is true that most of these are matters for the port employers; but, since they have a bearing on the success of the policy advocated, they deserve general discussion.

- i) Should guarantees be given to allay historic fears of casualisation? The fact is that docks today, with their heavy capital investment, rely upon heavy, continuous throughput. Employers have nothing to gain from casualisation; it is to their advantage to negotiate guarantees of steady employment. Legislated guarantees are unnecessary and might even be harmful.
- ii) Should buy-out terms be obligatory? Clearly there is no moral or logical case for paying up, in order to end an injustice. And such terms would be fiercely resisted by the port employers, possibly even bankrupting some of the smaller ones. Nevertheless the Government will probably make some least-cost estimate for the country as a whole. If it does decide upon some 'blackmail' payment as prudent, it should at least consider meeting part of the cost from taxpayers' funds.

These questions are tactical rather than strategic, ie. they dictate timing, prior stockbuilding, defensive actions and strike management. They do not impair the case for straightforward repeal of the National Dock Labour Scheme. The Government should not be deterred by the prospect of a strike from going forward with the immediate abolition of a pernicious Act.

## Appendix 1

### Scheme ports covered by trade survey in Chapter 3

Aberdeen	Immingham
Blyth	Ipswich
Boston	King's Lynn
Bristol	Liverpool
Cardiff	London
Clyde	Manchester
Dundee	Medway
Falmouth	Newport
Fleetwood	Par
Forth	Plymouth
Fowey	Poole
Gloucester	Southampton
Goole	Sunderland
Great Yarmouth	Swansea
Grimsby	Tees
Hull	Tyne

### Non-Scheme ports covered by survey

Dover	Milford Haven
Felixstowe	Montrose
Folkestone	Newhaven
Harwich	Portsmouth
Heysham	Shoreham

## Appendix 2

### Scheme ports covered in study in Chapter 7

Aberdeen	Liverpool
Ayr	London
Barrow	Lowestoft
Barry	Manchester
Blyth	Medway
Boston	Newport
Bristol	Par
Cardiff	Plymouth
Clyde	Poole
Dundee	Port Talbot
Falmouth	Seaham
Fleetwood	Southampton
Forth	Sunderland
Garston	Swansea
Gloucester & Sharpness	Tees & Hartlepool
Goole	Tyne
Great Yarmouth	Whitehaven
Grimsby & Immingham	Whitstable
Hull	Workington
Ipswich	Wisbech
King's Lynn	

### Non-Scheme ports covered in study in Chapter 7

Anglesey	Inverness
Brightlingsea	Lancaster
Caernarvon	Littlehampton
Colchester	Milford Haven
Cowes	Montrose
Cromarty Firth	Newhaven
Dover	Perth
Exmouth	Peterhead
Felixstowe	Portsmouth
Fishguard	Ramsgate
Folkestone	Shoreham
Harwich	Teignmouth
Heysham	Whitby & Scarborough
Holyhead	

# Appendix 3

## NATIONAL DOCK LABOUR BOARD

### EARNINGS & HOURS OF WORK STATISTICS - PERMANENT & SUPPLEMENTARY WORKERS

0.6

#### PORT ANALYSIS

2nd Quarter - 1959 (Weeks 14 - 26 Inclusive)

PORT	Average No. of Workers on Payroll	WEEKLY AVERAGES PER WORKER ON PAYROLL									
		GROSS PAYMENTS					GROSS HOURS				
		Aggregate for work done, incl. bonus and holidays payments	Under Employ-ment	Week-day	Week-end	TOTAL GROSS PAYMENTS	Worked	Under Employ-ment	Week-day	Week-end	TOTAL GROSS HOURS
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Newcastle	10	129-26	83-40	26-72	-	239-39	16.6	22.4	2.9	-	41.9
North Shields	55	200-53	13-23	46-19	47-76	377-31	36.8	3.5	5.9	2.6	51.8
South Shields	52	239-69	37-99	39-84	8-33	384-84	27.8	11.0	10.1	0.9	49.8
Blyth	45	305-05	15-67	36-55	54-81	422-09	37.7	8.3	3.3	5.3	47.6
Sunderland	31	305-27	34-13	25-58	22-23	367-21	33.4	9.4	1.9	1.8	43.5
Seaham	16	438-02	-	22-52	70-69	532-31	33.0	-	8.8	6.4	54.2
Heddersburgh	456	369-59	7-42	2-00	74-11	453-03	37.2	2.2	0.2	5.0	44.6
Hartlepool	72	259-21	10-41	12-02	62-29	372-92	24.1	16.2	1.0	5.8	45.8
Hull	669	170-67	8-41	84-58	65-77	323-43	31.1	2.8	12.3	9.3	55.5
Goole	152	325-97	12-35	49-12	11-92	289-26	35.2	3.7	8.0	1.7	48.6
Grisby & Lea (Coal)	658	347-39	5-93	18-78	75-01	467-11	34.7	2.3	2.7	6.1	45.8
Grisby (Fish)	45	202-62	0-71	-	-	202-22	56.2	0.7	-	-	55.4
Boston	32	304-62	17-79	80-61	49-63	452-65	32.4	8.8	6.2	2.6	47.0
Wisbech	14	171-22	21-52	2-91	-	205-65	22.2	16.6	0.5	-	39.3
King's Lynn	53	311-22	21-22	45-28	12-56	391-28	31.2	7.5	2.4	0.2	41.3
Farnouth	110	359-61	3-43	45-19	44-39	451-84	33.4	1.5	4.0	4.3	43.2
Lowestoft	27	310-57	15-32	80-68	49-04	454-61	33.7	5.3	10.4	4.4	54.0
Lowest	116	322-51	8-15	33-17	52-52	416-82	36.7	2.8	4.2	5.8	49.5
London	1,672	366-74	1-30	21-92	38-48	366-49	35.2	0.2	2.8	3.6	42.0
Rochester	177	340-36	0-58	47-40	34-02	422-36	38.6	0.2	10.4	6.2	55.4
Sittingbourne	29	314-42	-	25-32	21-81	361-55	38.9	-	5.4	3.3	47.6
Sheerness	245	321-12	2-62	57-31	56-12	427-18	32.9	0.4	10.9	9.1	53.2
Southampton	672	289-22	6-45	22-28	42-73	360-69	37.3	1.7	2.5	5.0	46.9
Poole	22	204-03	6-76	23-95	92-65	327-39	37.3	1.6	3.8	8.5	51.2
Weymouth	74	228-67	-	23-52	148-48	450-22	38.9	-	14.6	6.5	60.9
Plimouth	29	158-86	31-13	14-95	42-92	247-77	32.4	10.5	2.9	5.7	47.4
Ferry	44	229-38	-	105-02	4-24	332-64	32.4	-	15.1	0.4	47.9
Far	27	221-34	-	58-59	2-15	282-47	31.6	-	7.6	0.1	39.3
Charleston	-	287-35	-	-	4-42	261-77	40.0	-	-	0.5	40.5
Falshuh	-	247-15	-	23-29	54-75	331-19	40.0	-	3.5	5.3	48.8
Panama	5	182-12	36-21	100-61	78-37	397-29	27.9	11.9	12.1	10.6	62.5
Bristol	494	182-72	22-71	26-11	74-79	265-93	31.9	7.0	3.7	4.0	46.6
Swansea	67	258-56	21-02	52-11	47-26	372-62	32.5	6.5	4.7	3.2	47.0

Sheet 1 of 2

## NATIONAL DOCK LABOUR BOARD

### EARNINGS & HOURS OF WORK STATISTICS - PERMANENT & SUPPLEMENTARY WORKERS

0.5

#### PORT ANALYSIS

2nd Quarter - 1959 (Weeks 14 - 26 Inclusive)

PORT	Average No. of Workers on Payroll	WEEKLY AVERAGES PER WORKER ON PAYROLL									
		GROSS PAYMENTS					GROSS HOURS				
		Aggregate for work done, incl. bonus and holidays payments	Under Employ-ment	Week-day	Week-end	TOTAL GROSS PAYMENTS	Worked	Under Employ-ment	Week-day	Week-end	TOTAL GROSS HOURS
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Newport	212	250-22	14-01	74-96	43-12	382-31	32.5	4.5	8.0	4.7	49.7
Cardiff	163	252-62	29-66	11-23	37-04	329-55	29.7	9.2	2.5	3.8	45.2
Berry	65	379-61	7-00	121-92	82-99	590-63	26.1	2.1	10.9	6.2	35.3
Port Talbot	31	514-44	-	-	-	514-44	38.9	-	-	-	38.9
Swansea	97	273-65	11-23	29-06	23-95	326-59	24.7	3.5	3.2	2.0	43.4
Liverpool & R.M.	1,220	189-81	21-59	5-47	16-29	233-07	31.4	5.2	1.1	2.0	39.7
Barnston	123	209-94	15-07	51-96	39-28	315-15	31.9	4.5	4.6	6.2	47.2
Salford	21	251-10	3-97	10-52	6-55	272-24	27.7	1.2	1.9	0.6	41.4
Ellenborough Point	87	210-65	15-44	94-63	50-31	471-53	24.8	4.0	12.5	6.9	59.2
Ponson	32	242-99	47-40	10-46	7-74	308-59	25.8	13.1	1.1	0.3	40.3
Weston Point	17	359-94	-	10-06	16-29	374-29	39.4	-	2.0	1.5	41.9
Fleetwood	44	274-56	-	-	11-43	285-99	39.5	-	-	1.2	40.8
Whitehaven	17	185-17	54-63	31-08	81-02	351-90	23.1	15.9	1.9	4.2	45.1
Warrington	15	275-64	26-97	24-75	87-57	454-87	28.9	10.1	2.3	5.0	46.3
Silloth	3	85-33	39-82	26-77	16-44	168-36	25.4	12.6	5.1	2.4	45.5
Berron	8	54-87	112-89	36-29	14-94	228-33	32.5	26.8	6.0	1.7	65.7
Ayr	16	194-51	43-09	15-03	7-63	250-26	23.5	15.2	2.1	0.8	41.6
Androsson	16	372-75	3-12	5-14	17-72	435-73	37.4	0.9	0.6	1.9	40.8
Hunterston	15	214-35	28-04	-	42-46	285-48	24.0	5.9	-	3.7	42.7
Greenock	50	267-19	15-88	4-23	14-07	301-42	35.1	3.7	0.6	1.8	41.2
Glasgow	59	262-77	33-29	32-29	20-77	345-12	30.7	7.6	9.2	5.9	51.0
Aberdeen (Coal)	30	273-44	9-24	89-70	79-61	451-69	35.3	2.6	7.7	6.9	52.5
Aberdeen (Fish)	85	241-21	-	-	-	241-21	38.7	-	-	-	38.7
Dundee	30	187-38	28-33	36-80	39-22	285-73	30.6	7.7	3.7	3.8	45.8
Pathal & Kirkcaldy	23	322-97	14-03	26-36	7-91	371-27	34.5	4.6	2.2	0.7	41.4
Purthalsland	9	241-03	0-95	37-43	31-02	410-94	38.8	0.2	2.7	2.3	44.0
Stranraer	129	221-45	8-27	22-44	20-91	274-08	35.6	2.2	3.4	2.3	44.5
Leith	101	166-45	52-58	16-62	22-78	265-52	23.7	14.8	1.7	2.4	42.5
TOTALS	9,736	267-15	11-76	30-59	41-57	351-02	33.9	2.4	4.3	4.3	45.3

Source: Employers Returns

2nd August, 1959

Sheet 2 of 2

## Glossary

LDLB	Local Dock Labour Board
NAPE	National Association of Port Employers
NDLB	National Dock Labour Board
RDW	Registered Dock Worker
SVSS	Special Voluntary Severance Scheme
TUR	Temporary Unattached Register
TGWUA	Transport and General Workers Union
WEFA	Wharton Econometric Forecasting Associates