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## CHAIRMAN'S ADDRESS.

The CHAIRMAN : The next on the agenda is the President's Address.

## PRESIDENT'S ADDRESS.

FELLOW MEMBERS OF THE MINERS' FEDERATION,

“ I regret the reason, the illness of our esteemed President, Mr. Richards, that calls me, without much preparation, to give the Presidential address.

“ We hold this Conference just at the end of another critical phase in the history of our Miners' Movement. To judge of the results of our recent negotiations, one must not only picture our demands, small and reasonable as they were, we must relate those demands to the economic circumstances and conditions of the whole industry in which we are engaged and from which we

are engaged and from which we sought to secure such concessions. An industry in the hands of private ownership and, in respect to which, our task is still to seek readjustments within that system.

“The industrial depression, which for so many years has enveloped our chief industries, is at last affecting the entire economic and financial systems of the world. In this country, the so-called sheltered workers—the railway-men, the transport workers, the distributive workers, the civil servants, etc., have all had their wages menaced during the past year; we have, in fact, lived in an atmosphere of “wage cuts.” The contradictions of world capitalism will ever seek to re-adjust themselves on the bodies and souls of those least able to defend themselves; on those with no other means but the power to labour. It is in the light of all these factors that our recent settlement must be judged. What does that settlement mean ?

“1. A truce for twelve months.

“2. That hours shall be uniform at 7½, plus one winding time.

“3. In the main, that existing wages shall legalised.

“4. A Government declaration to implement the Geneva Convention on Hours.

“Judged in comparison with our demand for a 7-hour day and a legal minimum wage, it is nothing to be jubilant about. Yet, contrasted with the alternative of a National stoppage, which, with the risks and uncertainties to the men, and to the trade would have been a National calamity, our settlement or truce was at least one in respect of which we can declare a certain amount of commonsense satisfaction.

“Two points have been raised in opposition to the recent legislation, which call for a rejoinder :—

“1. It is said that a truce for 12 months pre-dates the next crisis.

“2. To legalise wage rates is a new and dangerous procedure.

“In regard to the first objection, I repeat on your behalf, what I have already stated, the miners do not anticipate a crisis in July, 1932. We call upon those charged with the conduct and control of this industry to work in a real national sense with us for peace, rather than talk of strife. In regard to the second point—the legalising of wage rates. Surely in face of our minimum wage legislation, and that of the Trade Boards, the charge is not true. All that the State does in the recent Mines Act is to place the miner in the same category as the Society for the Prevention of Cruelty to Animals. If the owner of a horse works it without proper food, the Society can invoke the aid of the law. This Mines Act gives the miner the right to invoke the aid of the law for existing wages as a means of maintenance—not a revolutionary step, but certainly a necessary one. It is not an Act to stabilise low wages, it is an Act to prevent low wages from going still lower.

“What of the immediate future ? What policies are necessary in the interest of this industry, and likewise in the interests of our members ?

“Let me put forward two essentials.

“Firstly, to raise the economic level of the industry, and secondly, to make our own organisation fully representative of the mineworkers of this country. Both policies are of vital importance.

“In regard to the first, in my view, if this industry cannot be raised to a higher level, then we cannot hope to improve even our present miserable standards and conditions without some outside subsidy. But I believe that the position of this industry can be materially improved providing that a

vigorous forward movement is given to the policies for which the Federation has always stood. These have been stated on numerous occasions. They may be summarised as follows :—

“ 1. The elimination of all eternal competition, the raising of the general price level, and the co-ordination and control of the industry by a strong central body.

“ 2. The elimination of waste in the administration and working of the collieries.

“ 3. The imposition of a National levy to facilitate the export trade pending the conclusion of International agreements with other coal producing countries.

“ 4. The fullest possible application of scientific methods in the production, treatment and utilisation of coal.

“ Number one implies that each district should be given its proper share of output, that prices shall be properly co-ordinated as between one district and another, and that a proper balance shall be maintained between the districts, so that each may have its fair portion of trade. It means, in short, the substitution of central control and regulation for individualism.

“ When the Coal Mines Act, 1930, was passed, we all believed that this object would in some measure be achieved through the operation of that Act. There is no reason why this should not have been accomplished, as, notwithstanding that the provisions of Part I. are in some respects deficient, it must be remembered that the owners have power under the Act to amend the Schemes so that they may be capable of achieving any purpose, within that Act, which may be desired.

“ The failure of the Schemes thus far is, therefore, the responsibility of the owners. Under the machinery of the Act they have or can acquire the power to raise prices, to co-ordinate prices, to impose a National levy, and to do all those things which are essential to the financial betterment of the industry.

“ Now, in the coming year, it should be our business to ensure that these things are done before we arrive at a stage when we are called upon to make another big general decision, the acceptance or rejection of which may mean so much to the lives of our people.

“ For the owners to come along and say to us, time after time, that the industry cannot afford to give better wages or conditions, because there is no money with which to pay for them, is not good enough. Such a plea may be repeated indefinitely. It is the owners' business to ensure that the means to pay are within the industry. The Mines Act of 1930 was designed expressly to give them that power—they should use it.

“ In my view, therefore, one of the first things to be done in the coming year is to see that full advantage is taken of the Mines Act to

“ (a) Raise the general price level.

“ (b) Co-ordinate the prices of the various districts, and

“ (c) Impose a National levy for the export trade.

“ We believe that in so far as the inland trade is concerned there is no inherent difficulty which prevents it being placed on a better footing. Its level can be raised by the owners themselves if they will but use the machinery which lies to their hand. While there is a limit to the level to which inland prices should be raised, that level has not yet been reached for pit head prices.

## EXPORT TRADE.

“In regard to the export trade, we acknowledge that here there are difficulties which are beyond the power of the owners in particular export fields to deal with. Even so, there is no possible excuse for the internal competition which still exists in those fields.

“When an industry is menaced by the severest external competition and by the competition of other forms of fuel, it is surely the height of folly to allow its position to be lowered by anything which is preventable by the industry itself. The continued existence of internal competition in the export trade proves the owners to be guilty of this folly, a folly which to-day no other body of British industrialists would permit.

“Granting this delinquency, it must be confessed that, even if the export trade was conducted in the most efficient manner, difficulties of an almost insuperable character would still exist. These difficulties of course are those which arise from the tremendous competition of other coal producing countries. Some idea of this competition may be obtained from the following facts. Perhaps you will bear with me if I give these facts in some detail, because of their importance :—

## 1. OUTPUT

“In the first six months of 1931, the output of coal in Great Britain totalled 113,807,000 metric tons as compared with 127,933,030 metric tons in the corresponding period of 1930. This represents a reduction of 14,126,000 tons or 11 per cent.

“In Germany the reduction was 12,419,000 tons or 17 per cent. In France (including the Saar) the diminution in output amounted to 2,171,000 tons or 6 per cent. In Belgium there was a slight increase of less than 1 per cent., in Poland an increase of 269,000 tons or 1·5 per cent., and in Holland an increase of 295,000 tons or 3·4 per cent.

“In the principal European countries, output in January/June, 1931, totalled 274 million tons as against 336 million tons in January/June, 1930, a reduction of 10 per cent., while the output of lignite fell from 86·6 million tons to 75·2 million tons, a reduction of 13 per cent.

## 2. CONSUMPTION

“The demand for coal abroad showed a decrease in January/June, 1931, as compared with that in January/June, 1930, and amounted in some instances to as much as 19 per cent.

“In Great Britain, consumption fell from 89,073,000 metric tons in the first six months of 1930 to 85,291,000 metric tons in the first six months of 1931, or by 4·2 per cent. The corresponding percentages for the other principal consuming countries in Europe were as follows :—Germany 18 per cent., France and Saar 7 per cent., Belgium 11 per cent., Poland 6 per cent., and Holland 5 per cent.

## 3. EXPORTS

“Exports of coal from Great Britain in January/June, 1931, amounted to 20 million tons, as compared with 27½ million tons in January/June, 1930, a reduction of 7½ million tons, or 27 per cent. Exports in January/June, 1931, were only 57 per cent. of the figure for January/June, 1913.

“Exports of coal from Germany in January/May, 1931, totalled 9·9 million metric tons, as compared with 10·4 million metric tons in January/May, 1930, a reduction of ½ million metric tons or 5 per cent.

“Exports of coal from Poland in January/June, 1931, aggregated 6·5 million metric tons against 5·6 million metric tons in January/June, 1930, an *increase* of nearly 1 million metric tons.

“The markets in which Great Britain has lost trade most heavily as compared with January/June, 1930, are in order :—Scandinavian, South American, Belgian and Dutch, Spanish, German, Italian and French.

“In the Scandinavian market Poland is the strongest competitor, and increased her exports to northern markets in January/June, 1931, to a figure  $\frac{1}{2}$  million tons in excess of that for January/June, 1930. Polish competition has also been increasingly felt in France, Italy and Belgium. Polish exports to Western Europe, Mediterranean and extra-European markets in the first six months of 1931 were 665,000 tons in excess of the quantity exported to these markets in the corresponding period of 1930.

“German coal competes in the British coal markets, not only in the German coastal districts of the North Sea and the Baltic, where sea transport makes it cheaper to send British coal by sea than German coal by rail, and in South Germany, but also in Western Europe (the Netherlands, France, Belgium and Italy) and in South America. German deliveries to France and Belgium in the first five months of 1930 and 1931 were considerably in excess of the figures for the corresponding period in 1928 or 1929, but exports to Italy have decreased, largely in consequence of the Hague Agreement.

#### “4. MEASURES ADVERSELY AFFECTING EXPORTS OF BRITISH COAL.

“Foreign coal producers are in many cases aided in the competitive struggle on the world’s market by means of disguised subsidies in the form of different prices for inland and export sales, preferential railway rates, etc.

“In Poland the collieries obtain a special railway rate of 3s. 4d. per ton for a haul of 375 miles to Gdynia, the exporting port, the inland rate for a similar distance being 8s. 6 $\frac{1}{2}$ d. per ton. Moreover, the pithead price of Upper Silesian large coal for inland consumption is fixed at 15s. per ton, while the F.O.B. quotation at Gdynia is now 11s. per ton, clearly showing that export prices are subsidised out of disproportionately high inland prices.

“In Germany over and above the licensing system, which restricts the imports of British coal into Hamburg and the coastal districts, there are similarly preferential railway rates and differential inland and export prices. On coal for export, special rates have been in operation since April, 1931, as much as 40 per cent. below the normal rates.

“Prices of Rhur coal for inland consumption fixed by the Rhenish-Westphalian Coal Syndicate are subject to the approval of the National Coal Council, but the Syndicate makes a levy on all coal disposed of for the purpose of subsidising the losses on coal exported. The levy for the month of June, 1931, was fixed at 2s. 8d. per ton of coal sold to customers, and 1s. 5 $\frac{1}{2}$ d. per ton of coal supplied to other departments.

“As regards France, it has recently been announced by the French Government that they intend to introduce a licensing system and to restrict the imports from foreign countries to 80 per cent. of the quantity supplied on the average during the years 1928-30.

“In Spain imports of coal are subject to Customs Duty, but a certain quantity of British coal is allowed to enter at a reduced rate.

#### “ 5. CONTRACTS RECENTLY LOST.

“The following are examples of important contracts which the British mines lost to foreign competitors in June:—

“Buenos Aires Electricity Works.—125,000 tons of sized coal to Germany.

“Latvian State Railways.—100,000 tons of steam coal to Poland at prices 1s. 6d. per ton below British prices with nine months' credit.

“Stockholm Electricity Works.—40,000 tons washed smalls to Poland at 3s. per ton below tenders for Northumberland coal.

“From these facts it is perfectly obvious that the coalowners in particular export districts cannot of themselves hope to combat these difficulties, and it has long been recognised by us that the ultimate solution lies in international agreements with other coal-producing countries, whereby the present ruinous conflict may be ended.

#### “THE NATIONAL LEVY.

“Endeavours to secure an International Agreement have now been going on for the last five years, and very little progress seems to have been made. It is our view that until such an arrangement can be effected a National Levy is essential. In my view this question is one of extreme urgency, as the position grows worse almost hourly, and, even though our wages are protected by law, unless something is speedily done we may find that before the year's guarantee has expired unemployment in the export districts will have enormously increased.

#### “INTERNATIONAL AGREEMENTS.

“In regard to an international economic agreement, this again is a question of the greatest importance, and one which we should endeavour to press forward to the utmost of our ability during the coming year. It is regrettable that while those concerned in the conduct and control of the industry in the respective countries have all admitted the dire necessity for some international economic arrangement, very little progress appears to have been made towards its realisation.

“The information which I have already given upon the international situation shows how desperate is the need to press forward this question.

“We have been told that the British coal owners are the chief obstacle to progress in this direction, and that they are not prepared to discuss this question until the circumstances of the British industry were such as would give this country a better basis on which to bargain for its share of international trade. With a fair and just agreement we are much concerned, yet if this isolation attitude is maintained I see no hope whatever for our export districts. In my view, we cannot hope to take away from the Germans and the Poles the total portion of the trade which they have secured in recent years, and the attempt to do so will only result in periodical troubles and crises of a most dangerous character.

“It is far better for the British industry to make every possible effort to come to terms with her continental neighbours at the earliest possible moment, and not to wait for an improvement (at the expense of those neighbours) which will probably never materialise. It is pleasing to note that the Miners' International Federation has recently approached the League of Nations with a request to reopen discussions on this question, but the time has now gone by for academic discussions on the principles and desirability of an international

agreement. There is no necessity to further discuss the desirability or practicability of this question. These, I think, will not now be challenged by anyone who has a knowledge of the European coal trade conditions. We now require definite action on the part of those responsible for the conduct of the industry in the respective countries.

“It is true that certain discussions have already taken place between certain coal owners in the various countries, but, as far as I am aware, no representative body of coal owners has yet taken any definite action in the matter. The initiative must come from someone. Why not from the British coal owners? The Act of 1930 has given them a Central Authority. They should use it.

“Such a step would be a welcome break from their old traditions, and would go far to instilling some confidence among the coal producers. In my view, we should take up this question direct with the British owners and press upon them the urgency of using every means toward this end.

#### “AMALGAMATIONS.

“The elimination of waste in the working and administration of the coal mines has always been considered a question of great importance. Here the Coal Mines Act, 1930, marks a very definite step towards the realisation of this object, through its provisions for the amalgamation of units. I welcome the statement recently made by Sir Ernest Gowers, the Chairman of the National Reorganisation Commission, who made it quite clear that in the interests of the industry it is essential that the coal owners in all districts shall reverse their previous attitude on this question.

“In the present circumstances of the industry this process of amalgamation, while it may give increased productivity and greater efficiency—economic advantages—it may also have human and moral effects difficult to measure. The amalgamation of units may be carried out in a fashion which will leave large numbers of our men unprovided for other than by unemployment benefit, and even render derelict a still further number of our mining villages. It will be the duty of the Federation while doing everything to encourage amalgamations, to take such action as will prevent any suffering of our men and their families by such reorganisation.

“In this respect, it is pleasing to note that this Federation is represented on the Coal Mines Reorganisation Commission by one of our own men, Mr. Joseph Jones, of Yorkshire; on your behalf, I congratulate him on his appointment which reflects not only credit upon himself, but upon this organisation.

#### ‘RATIONALISATION OF PRODUCTION.

“With regard to the application of scientific methods to production—or the rationalisation of production—the Federation favours the fullest possible extension of labour-saving machinery on the widest possible scale. To talk of preserving the status quo in production is an impossibility.

“The progress that has been made already by the introduction of machinery is significant:—

“In 1901 only 1% total output cut by machinery.

“ „ 1914 „ 9% „ „ „ „

“ „ 1921 „ 14·1% „ „ „ „

“ „ 1930 „ 30% „ „ „ „

“Whereas in 1914 only 3,093 coal cutting machines were in use,

“In 1930 8,000 coal cutting machines were in use.

“Whereas in 1914 only 408 coal conveyors were in use

‘In 1930 3,000 coal conveyors were in use.

“Other factors remaining the same, the rationalisation of production must tend to reduce the number of persons employed in coal getting. It is obvious that rationalisation of industry does not arise from ethical grounds. It is not based on any standards of human consideration. It is not a process adopted to meet the human needs of the workers. The primary motive of rationalisation is an economic weapon to be used in an industrial war of competition. Once monopoly goes and competition becomes general, rationalisation is merely an instrument in the industrial fight for cheapness.

“Under a sane system of society rationalisation should reduce the working time and give improved standards to the workers. Instead of this, you rationalise and produce unemployment, and the reduced number work with increased intensity. Such are the conditions as they exist to-day. Rationalisation should be carried out in conjunction with the workers’ organisation, to secure full protection for those displaced and for the safety of those working.

#### “SCIENTIFIC TREATMENT AND UTILISATION OF COAL.

“In regard to the scientific treatment and utilisation of coal, the miner does not profess to have such a knowledge of the technique of the various processes—pulverisation, low temperature carbonisation or hydrogenation—to draw any hopeful conclusions as to their practical application, or to specify any particular process as an aid to a greater demand for coal.

“With the low temperature processes the commercial success depends upon the sale of by-products. The by-products and also the residues depress in some degree the demand for the raw material coal, although admittedly many of the by-products are very valuable.

“If one may venture, as a layman, to offer an opinion, I would say that the process of hydrogenation appears to leave no final by-products that act in such a way as those left by the process of low temperature carbonisation. For each ton of coal hydrogenated, it is estimated that 60 per cent. weight of petrol can be made and commercially disposed of at a price approximating to present petrol prices. When we consider that to-day we consume nearly nine million tons annually of petroleum products, three million of which are petrol, and to produce this quantity would require 27 million tons of coal per annum, it is obvious that here appears a possibility of vital interest to our industry and of great importance to our National economy.

“We can pay tribute to the Physical Research Committee and the Fuel Research Board, for the Research work they have done, but when you consider that the sugar beet industry—which as an industry does not compare in importance with the coal industry—has received in six years a 60 millions pounds subsidy, then our demand for united action by owners and Government towards the promotion of coal petrol projects is a very reasonable one.

“Why cannot this nation set itself the task of establishing a synthetic oil industry? It is claimed that the hydrogenation process allows for the conversion of coal either into pure petrol, or into petrol, diesel oil and fuel oil in variable proportions. The small plant at Billingham has proved this. If only twice the money we have given to the sugar beet industry was utilised in this way a demand exceeding 20 million tons of coal per annum would be the result. This would materially assist the industry economically and it would also provide employment for a considerable number of persons. On these and similar lines we welcome every advance, and call upon the owners and the Government to make the fullest use of the possibilities in this direction.”