

PRESIDENT'S ADDRESS

Mr. J. JONES (PRESIDENT) : In passing a Vote of Sympathy with those who lost their lives at Gresford there are also included the following:— Messrs. R. Smith (Scotland), J. Robson (Durham), J. Sullivan (Scotland), J. Toner (Scotland), S. Finney (Midland Fed.), P. Lee (Durham).

(The Delegates stood in silence for a few moments as a tribute to their memory.)

Since we met at Edinburgh last year, events of great concern to our members have occurred in the mining industry. Overshadowing everything has been the appalling disaster at Gresford Colliery, where, in November last, 265 of our men lost their lives. We have, I know, all previously expressed our sympathies with the relatives, but this Conference, representing, as it does, all the mine workers of the country, will desire again to assure the bereaved families of the heartfelt sympathy of their own folk in every coalfield. The Conference will also express its sympathy to the relatives of all our other members who have lost their lives in the pits during the past twelve months, and also to the families of the officials and servants of our organisation who have passed away during the same period. We mourn them all; the men who died in the pits, and the men who had left the pits to serve those who remained there. All these men were members of our big mining family, and I ask you to pay your tribute to their memory while standing silently for a few moments.

Gresford was a tremendous shock to all of us. Many people thought that, in our country, the day of great explosions had passed; that the practice of stonedusting, the improved standards of ventilation, and all the safeguards now incorporated in the legislation, were proof against such an explosion as this; but Gresford proved once again that the danger of sudden and overwhelming disaster is still a part of the price the miner must pay for the opportunity to earn a pittance in the pits. Our people will want to have the fullest information upon the causes of this disaster, and will expect an answer to the questions which have been asked in every coalfield. We know, of course, that the pit was a dangerous one; but why did the explosion occur? Why did all the normal precautions fail? Was there neglect, and if so, where must the real responsibility be placed, and what can we do to ensure that such a disaster never occurs again?

These are the things which the miners desire to know, and the Conference will see, from the report of the Executive Committee, that, as a Federation, we have spared no effort to obtain reliable answers to these questions. Unfortunately, circumstances at the pit are highly prejudicial to our efforts to probe the causes of this great disaster to the uttermost. At the moment the question is largely *sub judice*; the Inquiry has not completed its work, and we are not allowed to pre-judge its conclusions. But in due course, your representatives at the Inquiry will lay a full report before you, and we shall have an opportunity of fully discussing all the issues therein. I know that I shall be expressing your desires when, on behalf of all mine workers, I tender grateful thanks to the British public for their splendid generosity to the dependents of the victims. Their noble response to appeals for help shows beyond all doubt, that the public have the greatest sympathy for our men, and that to a greater degree than before they understand the dangers and hardships of the miner's calling.

SAFETY IN MINES

Disasters such as Gresford stir the public imagination and bring home to all the danger of sudden catastrophe which our men have to face in the pits. But how many of the public realise that in the course of a year a far greater number of lives are lost in the normal work of the pit than are lost through explosions. The Secretary for Mines gave figures to Parliament in April last which well illustrate this point, and I take the liberty of publishing them below. The figures include the men killed at Gresford, so it will be seen that, normally, the proportion of lives lost from causes other than explosions, is even higher than aggregate figures relating to fatalities would suggest.

NUMBER OF PERSONS KILLED AND SERIOUSLY INJURED DURING THE YEAR 1934, IN AND ABOUT MINES UNDER THE COAL MINES ACT, 1911

<i>Place or Cause of Accident</i>	<i>Number of Persons</i>	
	<i>Killed</i>	<i>Seriously Injured</i>
Underground:		
By explosions of Firedamp or Coal Dust	292	92
By falls of ground	441	1,404
Shafts accidents	17	65
Haulage accidents	154	756
Miscellaneous	91	573
Total Underground	995	2,890
Surface:		
On railways, sidings or tramways	33	92
Other surface accidents	40	193
Total on Surface	73	285
Total (Underground and Surface)	1,068	3,175

These figures, and the Gresford disaster, are complete justification for the strenuous efforts which the Federation is making to secure a revision of the whole of the existing legislation relating to safety in the mines, and also of the praiseworthy and persistent efforts of our mining Members of Parliament to impress upon the House of Commons, the imperative need for a higher standard of safety legislation. Our efforts in these matters are described in the Report of the Executive Committee, and need not be repeated by me, but there is one great underlying cause of accidents in the mines, which I desire to bring to the notice of the public—the economic cause. Every year a large number of accidents can be traced to the low economic position of the industry, which re-acts upon the personnel from the manager downwards. On the management, it acts as a spur to the carrying out of the policy of a maximum output at a minimum cost, and on our men it results in an intensification of effort, which, for many of them has fatal results.

WAGES

This intensification of effort is caused, not only by pressure from officials who have to carry out the owners' policy, but also by the low rates of wages now payable, which cause our men to take risks and to exert themselves often beyond the limit of their physical capacity, in the effort to obtain a better wage at the end of the week. The prevailing piece-rate system is responsible, therefore, for a good part of the accident rate. Even so, the wages earned are by no means commensurate with the risks incurred. This is the appropriate occasion for informing the public of the wages which the miners receive for their arduous and dangerous work, and I cannot do better than again quote the official figures of the average earnings for 1934.

AVERAGE EARNINGS PER PERSON PER YEAR. YEAR ENDED DECEMBER, 1934

<i>District</i>	<i>Earnings</i>		
	<i>£</i>	<i>s.</i>	<i>d.</i>
Scotland	133	2	8
Northumberland	109	14	7
Durham	104	19	2
South Wales	119	7	0
Yorkshire	114	9	8
N. Derby and Notts	112	16	3
South Derby, Leicestershire, Cannock and Warwick	110	8	7
Lancashire and North Staffs	114	11	1
Cumberland, N. Wales, S. Staffs, Shropshire, Bristol, } Forest of Dean, Somerset and Kent }	120	10	4
Great Britain	115	11	6

We all know that these figures are averages and therefore obscure the fact that thousands of our men receive less than the average, but they are bad enough in all conscience. I can only repeat here what I said at St. Helens a fortnight ago. Personally, I feel that such wages are an insult to those who receive them, and a disgrace to those who pay them. Surely it must cause pain and anxiety to all who have any pride in their country to know that the men who have to face the perils of the pits and who provide the country with the basis of her prosperity, receive for their labour little more than £2 per week.

In these low rates of wages and the natural desire of the men to spare no effort to improve them, is to be found the source of some of the fatal accidents which occur in our pits to-day, but I would say to our men with all the earnestness at my command—*consider your safety first* : better wages are a necessity, I know, but your safety must come first; do your duty by the industry, but let your own lives be your primary consideration, and let the responsibility for higher wages be placed upon those who have the organisation and control of the industry in their hands.

THE MARKETING OF COAL

That the wages and conditions of our men CAN BE materially improved by proper organisation, I have never had the slightest doubt. To-day, I do not propose to go into all the defects of organisation from which this industry still suffers. This I propose to do during the course of the campaign upon which I have embarked, but I would like you to consider for a moment just one of them, the lack of organisation in the sale and marketing of coal. I venture to say that in no field of colliery activity is the absence of organisation so severely felt as in the sale of coal. Indeed, it is a misnomer to describe the present practice as selling; coal to-day is merely exchanged at rates unprofitable and injurious to those who depend upon the industry for a livelihood. How is coal sold to-day? Coal supplied inland for industrial purposes is sometimes sold direct to the consumer by the separate colliery concerns. In other cases it is sold to middlemen, who re-sell to the consumer. Some collieries have now formed special companies to sell their coal, while others have grouped themselves together and formed selling agencies which dispose of the output of all the collieries forming the group. In Lancashire a scheme is now in operation for disposing of all the coal in the district through one organisation. In the export market the collieries sell a large proportion of coal to independent firms of exporters, who re-sell to the foreign consumer, or to other middlemen abroad. Some export collieries endeavour to place their coal themselves, while in South Wales, a big proportion of the output is now sold by one group. In the domestic coal market, much of the coal passes through the hands of three separate groups of intermediaries—factors, wholesalers and retailers.

The point is that there is no organised system of coal distribution in any coalfield or in any coal market; there is just a number of widely different practices, and in consequence two outstanding evils arise:—

- (1) Intense and destructive competition between the sellers of coal.
- (2) Unnecessary intermediaries between the producer and consumer of coal.

Just imagine the effect of the separate collieries, the middlemen, and the subsidiary companies and agencies all trying to sell coal in competition with one another in a greatly restricted market. There is a terrific scramble. They all fight each other tooth and nail, and, consequently, the whole industry is at the mercy of the buyer. In regard to the intermediaries, the first thing we ask is, why does not the colliery industry itself absorb their functions and profits? Clearly, this can be done for every ton of coal sold inland for industrial purposes, and in the export trade it is already being done to a big extent in South Wales.

In 1930, Parliament gave the coal owners great and far-reaching powers to deal with these matters. Within the limit of economic possibility, they could

determine their own prices, and therefore their own revenues. But so far they have made no use of these powers; instead of working the 1930 Act to the advantage of the industry and the men, many of them, from a mistaken view of their own interests, have shamefully abused and evaded the Act, and, consequently, the position of our men has not improved. In the Lancashire scheme to which I refer, we have now, however, for the first time, a proposal to deal with the evils of unorganised marketing on lines which we have advocated ourselves, that is by means of centralised selling. *So long as you have the collieries, the middlemen, and the subsidiary concerns, all selling coal, you will have competition, evasions and abuses, and the colliery industry itself will never get a proper revenue for its product.* But in a centralised selling scheme for a whole district there is hope, for if properly worked, such a scheme can deal with these evils in a fundamental way. I well remember the terrific scorn with which this proposal was received by the owners when it was made by our representatives at the Samuel Commission in 1925; we were then told by the coalowners' representatives that a colliery "must be left in charge of the distribution of its own output."

Since that time the owners have advanced some little way along the path which we would have them tread, but we shall be grievously mistaken if we expect too much from a single scheme. This cannot do much good, if it is prejudiced by weak selling and lack of organisation in other districts, and even if the principle of centralised selling is extended to every coalfield, it will not be effective if the districts are allowed to compete with one another for the available trade, for inter-district competition is as destructive, if not more so, than competition between the collieries themselves, and unless we have a *supreme marketing authority* for the whole industry, with power to control prices, regulate output, and define the areas of supply for each district supplying inland coal, we shall not make real progress.

SELLING ORGANISATIONS AND THE ASCERTAINMENTS

There is another aspect of these proposals which we should do well to consider—their relation to the wages ascertainments. The principles of the wages ascertainments are now being considered by a special Committee of the Federation, and I do not want to anticipate their conclusions, but in my view it is essential to the interests of our members that all organisations created for the purpose of central buying or central selling should be regarded as an integral part of the industry under the Wages Agreements, and now, when these organisations are being developed, is the time for us to insist on their inclusion. We are supported in this claim by the recommendations of the Coal Industry Commission, 1925, and in my view it is of great importance and one which should be pressed without delay.

NATIONAL WAGES MACHINERY

Notwithstanding that we have been strongly supported in our claim for a National Wages Agreement by a Royal Commission of some of the most eminent men in industry and economics, the owners still stubbornly refuse to deal with us nationally on the question of wages, and the Government, although it professes to agree with us on the merits of our case, still refuses to insist upon the owners adopting a more reasonable attitude. The coalowners apparently

are above the Government. They are a law unto themselves. Our case for a National Agreement and National Wages machinery has been strengthened by every development which has occurred within the industry of recent years, and to-day is stronger than ever. The time has now come therefore for us to challenge both the owners and the Government on this question, and I am convinced that we shall have public opinion on our side. The owners' attitude is indefensible. They prefer to see the power of the miners weakened by separation and division, and so they insist on district Agreements. Their attitude amounts to denial of the miners' right to use to the best advantage the only real power they possess—the power of combination. We could not be expected to submit to this dictation indefinitely, and we have accordingly approached the Government with a request for an immediate improvement in the wage standards of the miners. If the Government evades its responsibility, and declines to take steps to ensure that the miners shall be reasonably rewarded for their toil and the risks of their calling, then we shall be compelled to fall back on the old method of withholding Labour to enforce our demands.

UNEMPLOYMENT

Further events which have occurred during the past twelve months have been the making of additional Trade Agreements between this and other countries, and the conclusion of a coal Agreement between Britain and Poland. These events are closely related to the problem of unemployment in the industry, and I should like you to consider them in relation to that question. The position of our unemployed members and their families is, indeed, the greatest of our troubles, for not only is their plight ever present in our minds, but the fortunes of our employed members are, to a great extent, dependent on a solution of the problem of unemployment in the industry. I want, therefore, to make a special appeal to-day for our unemployed families and to make their problem the chief feature of this, my first annual address.

SPECIAL FEATURES

The problem of unemployment in the coal industry has certain special features which distinguish it from the unemployment problem of any other industry. True, in proportion to the numbers employed, certain other industries have suffered as acutely; shipbuilding, for example, and certain sections of the engineering, and iron and steel trades. But none of these are as big as the coal industry; in no other industry is there such an appalling total number of unemployed persons—nearly 300,000 at this moment. Moreover, in no other industry has unemployment continued for such a long period. In our export areas, many collieries closed down in 1921; thousands of our people in these areas have been unemployed for upwards of ten years. Then, again, more than any other industry, the coal industry is localised. It is confined within prescribed geographical limits in certain areas, where it is the only means of livelihood for vast numbers of the population, and, consequently, if coal production fails, these areas become derelict. Most distinctive of all, for the most part, the causes of unemployment in the coal industry are not always those which affect industry generally. There are factors which are peculiar to the coal industry itself.

These are the special features of mining unemployment. I feel that, before the public can properly appreciate our proposals for a solution of this problem

it is first necessary thoroughly to understand its causes and to appreciate their significance. In the case of the coal industry this is of paramount importance, because, unless the causes are understood, and their significance appreciated, there is little hope that effective remedial measures will ever be taken. There will be a continuation of mistaken policies, of false hopes, and, of what concerns us most, the bitter and undeserved hardships imposed upon our unemployed members. Let us consider, therefore, the causes of mining unemployment with the utmost care, and then endeavour to appreciate their significance.

DIMINISHED DEMAND

The coal industry, of course, has suffered from the general economic depression just as other industries have; indeed, the coal export trade has suffered as much as any, for its fortunes are quickly affected by economic conditions outside our own country, and, naturally, the deplorable world conditions of recent years have re-acted instantly and adversely on our export coal trade. But, apart from the general depression, there are the special causes of unemployment in the coal industry. I refer to the developments which have affected coal as a fuel and to certain other changes which have particularly affected the export trade.

These account for the major part of our unemployment problem and explain why, despite the improvements in industry generally, the numbers employed in coal mining continue to decline. Chief among these special causes are those which have caused a reduction in the demand for coal, and of these the economy in coal consumption which has resulted from technical progress in coal burning, is one of the most potent. There has been a big reduction in the unit consumption of coal in all the big coal-consuming industries, and there has been a similar saving in the consumption of coal for domestic purposes. Let me give you a few examples.

In 1913, for every million tons of pig iron produced in this country, 2.06 million tons of coal were used; in 1933 only 1.80 million tons of coal were used, a reduction of $12\frac{1}{2}$ per cent. per unit of production. In 1933, the coal consumed at Iron and Steel Works in this country was 53 per cent. less than in 1920, although the production of steel ingots and castings was only 23 per cent. less than in 1920.

In 1933, authorised gas undertakings in this country made 36 per cent. more gas than they did in 1913, but they used only $2\frac{1}{2}$ per cent. more coal in the manufacture of that gas. In 1933, the total number of units generated by electricity undertakings in Great Britain was 189.6 per cent. more than the total number generated in 1921, but these undertakings consumed only 44.7 per cent. more coal than they did in 1921.

Many other examples could be quoted, and, of course, such developments are by no means confined to this country. Technical progress in coal burning has made tremendous strides throughout the world. For example, in 1919 the freight services on the American steam railroads used 170 lbs. of coal per 1,000 gross ton-miles. By 1931, the figure had been reduced to 119 lbs. In 1933, the German Institute of Business Research published the results of an investigation made by Dr. Rudolf Regul into the reduction of coal consumption per unit of industrial production. Dr. Regul made estimates of the percentage

reduction which had taken place in 1930 as compared with 1913, and of the quantity of coal which would have been used in 1930, had the consumption per unit of industrial production been the same as in 1913. He showed that in Great Britain 30-35 million tons more coal would have been used in 1930 had the consumption per unit been the same as in 1913. His figures were as follows:—

	<i>Percentage Reduction</i>	<i>Tonnage Saved</i>
	%	
Great Britain	15-20	30-35 million
Germany	15-20	25-30 „
France	15-20	15-18 „
United States of America ..	28-30	150-160 „

The reduction in coal consumption caused by improved general technical practices is also shown by the reduction in the amount of coal consumed per head of the population. In 1913, 82 cwts. of coal were consumed in this country per head of the population, but by 1934 the figure had dropped to 71 cwts. This decline has been accentuated in recent years by the substitution of imported oil for coal and by other factors. But fuel economy has, undoubtedly, been the major cause of the fall.

Fuel economy has also been a big factor in the decline of our export trade, because, as we have seen, the same development has occurred in other countries. But other causes have also been responsible for this decline, and none more so than the substitution of oil for coal for the bunkering of ships. In 1913, the total gross tonnage of the steamers registered at Lloyd's as fitted for burning oil fuel was only 1,310,209 tons, whereas, in 1934, 19,858,000 tons were so registered. In July, 1934, oil-fired vessels comprised over 30 per cent. of the total tonnage of ships recorded in Lloyd's Register, and the proportion is increasing rapidly as the older (coal-firing) ships become obsolete and are replaced by oil-fired vessels. The substitution of oil for coal in the bunkering ships is also exemplified in the disappearance of coal-fired vessels from the Royal Navy. Before the War, the South Wales coalfield supplied about 1,700,000 tons of coal per annum to the Admiralty, but this trade has now gone.

Further causes of the diminished demand for British coal abroad are to be found in the increased production of lignite in Germany, and in the development of hydro-electric power in a number of countries. The production of lignite in Germany increased from 87,228,000 metric tons in 1913 to 137,256,000 metric tons in 1934, while Norway, Sweden, Italy, Spain, Switzerland and Canada have all developed big schemes of hydro-electric power, which, either directly or indirectly, have reduced the demand for, and consumption of, British coal.

THE DEVELOPMENT OF FOREIGN COALFIELDS

So far I have dealt with the causes of unemployment from the side of demand only. Tremendous as these have been in their total effect, equally devastating have been the results of post-war changes in the supply of coal. To a great extent the seeds of these changes were sown during the War. Before the War Britain was the chief source of supply of nearly all the coal-importing countries of the world. It is true that a few countries adjacent to Germany