

## PRESIDENTIAL ADDRESS

MR. E. JONES (Vice-President) : It is now my great honour and privilege to call upon your President, Mr. W. Ernest Jones, O.B.E., to deliver his Presidential Address.

CHAIRMAN : Fellow Members, It would be an interesting preoccupation for each of us present at this Annual Conference, representative as we are of the interests of those engaged in the winning of coal from the mines of Britain, to write an essay of the events of the past 12 months. It would be the detailing of a changed position in coal demand and fuel consumption, of the growth of

stocks, of retrenchment in the recruitment of men, of the declaration by the Coal Board that some pits which are uneconomic must be closed, and of an attitude by the Board that legitimate standards of wages in commodity values be reduced as a result of its refusal of the Union's recent claim for increased wages, the amount of which was measured by and restricted to the increased cost of living.

The story of this period is also one of the growth of competition especially in Western Europe of American and Polish coal. The latter by dumping at a price well below the cost of production and marketing, and the former on account of the decline of shipping freights during the past year to a sum equal to only 20 per cent of that prevailing two or three years ago. The use of oil, stimulated by the policy of the Ministry of Fuel and Power, has risen apace until a situation has been reached where fuel oil consumed in Britain has reached the coal equivalent of 20 million tons. A stagnant national economy has had its effects upon fuel and power demands. An estimated increased requirement of two million tons of coal in 1957 was marked by an actual decline of five million tons. The Government must take their full share of the responsibility for the decline because it has restricted industrial expansion and disregarded the overall necessity of planning the economy and of restoring its vigour.

To these developments this Union must declare its reaction : it has its members' interests to safeguard. There must be no recession in the standards of pitmen. The surest way to ensure more reasoned and just standards for the day wage men in the Industry would be to call upon those who criticise the claim to change places with the men who produce Britain's coal.

None will regret the cessation of Saturday working. Five days is a reasonable number of working days for any man in this dark, dirty, difficult and, oft-times, dangerous occupation. Indeed we assert that the working day, with a five-day working week, must be reduced. We must repeatedly remind the public that the representatives of the old Coal Owners on the Royal Commission of 1919, presided over by Justice Sankey, recommended a seven-hour day for men employed underground. Today, underground shift hours are 30 minutes longer than they were 35 years ago, and the average time spent per shift underground is more than eight hours. Many engaged on the surface also work longer per day to compensate for the five-day working week.

But a five-day week's wages are not sufficient to provide the day wage man with the means to rent a house and to feed and clothe his wife and any family he has. Saturday working of six and a half hours resulted in the man on the minimum underground having 41s. 2d. in addition to his normal wages. Overtime he added income from overtime which he can no longer earn. He is finding the strain of this reduced income a hardship, pauperising his resources, and resulting in anxiety and care he has not known since nationalisation. Perhaps the public will have the wit to appreciate that the published wages of miners include those of pieceworkers as well as day wage men, all of whom have been working overtime on an extended hours agreement. But this Union cannot be content that fair and reasonable levels of domestic life and maintenance must depend upon wages earned beyond the normal hours of the pay week. Fair and reasonable wages sufficient for the normal

requirements of a family and home must be ensured as the reward for normal and not abnormal hours of work.

We must all regret the high stocks of coal surrounding many pit heads or dumped in disused quarries or at opencast sites. Much of this coal depends upon a market already saturated with supplies for it is slack and very small coal, produced mostly from opencast sites or from power loading faces in the pits. In the situation we find ourselves, the Board must accept responsibility for the policy which has resulted in an increase of the proportion of small coal difficult to dispose of, and a reduction of large coal—in clamant demand which was responsible for our import programme, at least from the beginning of 1957. Power loading has, in my opinion, been less discriminate than it should have been and in the space of ten years the loss of large coal on the basis of the 1957 output has been equal to 23 million tons per year. To put it another way—out of a deep mined output of 187 million tons in 1947, 60 million tons were large coal, whilst out of an output of 210 million tons in 1957, only 46½ million tons were large coal. Stocks of small opencast coal are equal to at least 28 per cent of annual opencast output. The Board are not entitled to despoil the agricultural resources of Britain to produce coal of which 28 of each 100 tons they are unable to sell, and have to stock. Because much is unsold the Board's argument that opencast is so profitable is absurd. To the extent that small coal can be merchandised as a manufactured fuel the Union will give support. Yet how ridiculous and cockeyed it is to produce coal smalls when larger sizes are possible. Moreover, the men in the industry had, in 1950, been assured by the Board and the Labour Government that, in the event of any decline in demand, the product of the lower-quality opencast coal, as well as the curtailment of extended hours, would be liquidated. These, between them providing many million tons of coal per year, were to be regarded as cushions safeguarding the well-being of our members. The present position requires not only reversion to five-day week working, but the curtailment of immediate opencast developments, and the retardment by at least one-fourth production of its present working.

Side by side with any rationalisation of production that a temporary declining consumption and of export sales brings about, every effort must be made to speed up the research that will enable a further and more advanced scientific investigation into the extraction of oil, chemicals and other products that can be secured by the cooking and bye production of coal.

And what of the export market, impoverished as it is today? This market, for some considerable time, is unlikely to provide the means which will restore demand. Indeed, as I will show, the Miners of Western Europe are suffering in consequence of the high tempo of coal imports into their countries. Yet without some measure of importation during this period there would have been some shortage of coal. It is in this more limited export market that British coal should have had a stable place; but it is a market from which we have withdrawn, a market which we have given away. Events are establishing the shortsightedness of the Government and the Board. If, in the years following 1953 when we sold 17 million tons of export coal, we had kept up this market by supplying them with the same tonnages we should have had a stronger and more continuing hold on the European Market. Events have

proved that we allowed this market to be given away. Long-term American supply contracts have created a situation which makes our re-entry almost an impossible thing. It would have paid Britain handsomely, over a period of years, to have bought coal to supply to her established export customers. Though there would have been some loss it would have been much less than we in Britain had to bear, for the price securable on the Continent was, at that time, 30s. per ton higher than our prices here. Must the British miner suffer for the shortsighted failure either of the National Coal Board or the Government to preserve its export market? From a 17 million tons export supply in 1953 the decline in 1957 had reached between  $9\frac{1}{2}$  and 10 million tons. The American coal industry sent to Europe 39 million tons in 1957. For the first five months of 1958 British sales abroad and for bunkers were half the amounts for the corresponding period of 1957.

Nor can Britain's economy afford to weaken its Balance of Payments position, nor its Gold and Dollar reserves, by the unnecessary purchase of oil involving both sterling and foreign exchange. Last year our oil imports cost us no less than £440 million. Whilst this cost was mostly in sterling it did, at the same time, result in convertibility of substantial amounts into hard currencies thus menacing not only the reserves but our external trading position. Steps should be taken at once to secure that oil imports be controlled to our minimum requirements and that the indigenous product—coal, should provide the nation's power requirements to the fullest degree of which it is capable.

It is clear that a changed situation of coal demand is also taking place in Europe. American Export Contracts for 38 million tons, covering a period of at least three years have been made by German importers and their supplies are giving rise to serious problems for the German miner. Stocks at the pitheads have now reached the high level of more than seven million tons. Thousands of working days have been lost on this account, which have already resulted in the loss of over £700,000 in wages. The German miners' leaders have called for the reduction of imports. The Federal Minister of Economic Affairs has refused and said, industry and the German economy required all the coal bargained for abroad. The German Mineworkers' Union is demanding a cut in imports at least equal to an amount which will ensure full-time working by the German miners. It also contemplates a programme of further improvement in weekly hours of work or for an increase in the number of paid rest days which have, in the past two or three years, been introduced into German coalmining, which provides the Germans with an 11-shift fortnight and a daily shift of seven and a half hours. Their aim is for a five-day week.

The situation in Belgium is even more difficult. Pit head stocks in the space of a year have increased ten times. The Belgian Government have now put American coal imports under licence. Since the early part of the year miners have been laid off for periods of one to eight days per month and the economy within coalmining is seriously depressed.

The Executive Committee of the Miners International Federation have established a Unified Economic Study Group of Research Workers whose responsibility it will be to examine events in the coal industries of Europe,

of trade and markets, of exports and prices, of hours of work and wages. Its reports will regularly be studied and action will be recommended by the International Committee.

Great anxiety arises out of the attitude of the Board in rejecting the claim of the 380,000 day wage men in the industry for wages that would restore the loss of purchasing power to where it stood at the last wages settlement in March, 1957.

This anxiety has increased in consequence of its further rejection by the National Reference Tribunal. The claim for surface weekly hours of work to be reduced to 40 hours, including meal times, has also had very disappointing results. Important as this claim was, its rejection has less significance at this time than the decision of the Board and of the Tribunal that the wages of day wage men should not have the purchasing power they had 15 months ago, and that consequently the standard of living of these men should decline. I said 12 months ago at Torquay: "To the extent that changes in our money wages have been compensation of increases in the cost of living we have not gained, for inflation takes a bit of catching up and increases in the cost of living are only overtaken after periods of reduced commodity values of money. It is far better, and in our own interests, to demand and support stable prices and the curb on inflation than to have extra money that provides only the same amount of goods." Now our purchasing values are cut and without restoration.

In rejecting this claim the Board has said that its present financial position does not justify any increase in costs. Whilst they gave other reasons also, the Board have anchored their opposition to the financial implications of this and the other claims we have put forward. This gives good grounds for analysis of how the financial position they express worry about has arisen, and to make comparisons:

- (a) With what was provided by the Exchequer to a privately owned coalmining industry in 1925 and between 1942 and 1946; and
- (b) with what has been provided in the past ten years in terms of subsidy, and assistance to the privately owned industry in Germany and Belgium, who produce nearly 80 per cent of the coal from the pits in the countries of the European Coal and Steel Community.

On two occasions since the end of the 1914-18 war, subsidies were provided to the industry. In 1925 the Government guaranteed owners' profits by a subsidy of £24 million. Between 1942 and 1946 they provided a further subsidy of £27 million. Since nationalisation over 11 years ago, the industry has had an operating surplus of over £160 million, and has not received any financial assistance. This surplus is only converted into a deficit of £29 million by the payments made during those years to the Ministry of Power, which have totalled £191 million. This amount includes not only interest on capital taken over or borrowed, but includes capital items to the ex-coal owners.

In Germany it is against the law to directly subsidise the coal industry yet (and according to the authoritative statement of Dr. Erhard, Minister of

Economic Affairs in the Federal Government, made in October last) the amount of money it has received from the Federal and Land Governments in the past ten years has been substantial. This financial help has been provided in a number of ways, by special depreciation allowances and relief of taxes, by assistance in interest payments in provision of premium wages to miners, by paying a part of the employer's social insurance contributions equal to 6½ per cent of wages and for many other purposes.

In Belgium in ten years from the end of the war to 1955 the industry had received 35 milliard Belgian francs, equal to a £250 million subsidy, and this assistance still continues, although the amounts for the past two years have not yet, as far as I am aware, been published. Half these amounts were industrial subsidies and half social subsidies—and covered compensation to be used in (a) contributions to pensions; (b) shorter weekly hours; and (c) paid holidays. Of the amounts available for industrial subsidy 2,500 milliard Belgian francs were Marshall Aid, 3,000 milliard francs from the perequation levy on coal produced by the Ruhr and Holland, and 4,000 milliard francs was compensation to enable successive wages rises to be provided, at a time when the Belgian Government did not allow mining companies to increase prices.

Whereas financial assistance has been provided in substantial degree to the industry of these countries, coalmining in Britain has not only provided the cheapest coal and has stood upon its own feet, but has carried the burden to import coal and to bear the cost of surface subsidence.

We would also point out that during those years and at the present time, prices of British coal at the pit head have been artificially low. The Board do not raise prices except with the authority of the Minister.

To quote the Select Committee on Nationalised Industries: "In the last analysis, it is the Minister of Power who says what the public must pay for coal." The Board, to carry out their statutory duty, must pursue a policy directed to securing that "the revenues of the Board shall not be less than sufficient for meeting all their outgoings properly chargeable to revenue account—on an average of good and bad years."

The authority or last word of the Minister on prices is a handicap which the power industries other than coal are not called upon to suffer. It puts a brake upon what the Board are required to do and at the time it should be done. There is no statutory provision for this and its operation stems from the "Gentleman's Agreement" made at the beginning of the last war, when we agreed, through the Miners' Federation of Great Britain, that we would not ask for wage increases beyond any increases in the cost of living, provided that the colliery owners did not increase the price of domestic coal without Government consent. Since then it has been extended to the price of all coals—industrial as well as domestic. The agreement originated in quite different circumstances and for different reasons from those under which it now operates and it should be discontinued.

The Select Committee's Report says: "of ten applications for a price increase made by the Board, on four occasions the amount granted was less than requested, and one application was refused outright; on five occasions the

increase began later than the date asked for." We do not forget the way the application of February, 1955, for an increased price was dealt with—obviously for the reason that a General Election was to take place in May of that year sanction was not forthcoming until July. Prices should be adequate and revised amounts applied without delay. We must remember also that had last year's application by the Board been granted in full as against the amount authorised by the Minister, the 1957 accounts of the Board, in addition to covering all costs in that year, would have provided a surplus.

The Select Committee say in paragraph 89 of their Report: "Your Committee consider that responsibility for coal prices should be clearly and statutorily defined. When proposing alterations in coal prices, the Board should consult the Minister of Power as to the public interest but, having done so, should take full responsibility for their price determinations. The Minister should have a statutory power in the national interest to give the Board specific directions in relation to prices. Such a direction should be laid before Parliament and published, so that Parliament and the public would be fully informed about the respective responsibilities of the Minister and the Board in a particular case."

The Union challenges the Minister and the Government to accept the recommendations of the Committee. The Board with its responsibility under the Act must be given responsibility for coal prices. Before changing prices they should consult the Minister, but theirs must be the responsibility. The Minister should have the right of direction, but such direction should require to be laid beyond Parliament and have its approval.

Nor can we allow the British public to forget that apart from the cost of subsidising imported coal the accounts of the Coal Board, instead of being as they now are, £29 million on the debit side, would have been (disregarding provision for taxation) £41 million in credit. The public should understand that the British Coal Mining Industry has provided on the average £10 million a year from November, 1950, to the end of 1957 to enable foreign coal to be brought here and distributed at British coal prices.

Why should these external factors be allowed to affect the well-being of the miner? There is no justice for setting these substantial sums at the expense of day wage men's earnings in hard, dark, dirty and dangerous conditions, hundreds of yards in the bowels of the earth. It is not surprising that many of those who have known those conditions as actual miners and have escaped from them should declare that they would not return for a Cabinet Minister's salary. This Conference will leave no doubt in the minds of the people of this country that the means must be found to enable the restoration of wages standards to all day wage men. Moreover, the wages of craftsmen and winding enginemen must be more in accordance with their growing responsibility for mine safety and their contribution to the industry.

This Government has created conditions that have resulted in greater insecurity for industrial and service workers. It has damped down production and productivity. For years it supported a "Free for all" policy with damaging results to the general economy. Its policy has resulted in increases in the cost of living. It has given full employment an emphatic knock. We have

areas in Britain with pockets of unemployment which can be called grievous. The balance of payments position has benefited not by increasing exports which have in fact fallen, but by more favourable terms of trade. Its budgetary policy has provided concessions to the higher-income groups in the country whilst greater burdens have been imposed upon those least able to carry them. The surtax payer, the shareholder and the landlord have been the beneficiaries of a Tory Government. It would be a pleasant position for the workers of Britain if the constitutional period for which the Government were elected, terminated in 1958 and not two years hence. Or, if the Government could decide that a General Election this year was necessary. I would not, however, be ready to declare, as some others have done, that the industrial workers and the trade unions should use their unquestioned industrial and economic power in order to bring down the Government. This would be the most dangerous thing the movement could do. The disastrous effects upon itself would be incalculable. I declare that the British worker and the British trades unionist must place his full reliance upon political democracy and not upon the use of the industrial weapon for clear and unmistakable political purposes. Those who would be ready to use the industrial power of the workers through the unions, for political ends, would reduce the possibility of an outstanding Labour Party success at the next and subsequent General Election. Some will say this is right-wing politics. Yet it is not within a hundred miles of the reactionary decisions of the left, who runs candidates in safe Labour Parliamentary Constituencies in the sure attempt, as they did in the recent Wigan by-election, of weakening the outcome for the Labour Party and its candidate. In this matter of changing the Government, our best investment is to ensure that we spare no effort in removing any apathy manifest at some by-elections and which could persist at the General Election. There are a thousand reasons why we should play our part as miners, trades unionists and citizens in ensuring that the electors know, too, the importance of the change required and of the part all of us interested in social justice and human well-being in a developing standard of life both here and throughout the world must play in an effort to ensure 20 years of Labour Government in Britain.

Finally, a word about world peace and the future of mankind. In these matters we are all quite certain that the greatest single factor as a means to the great end of peace is understanding, and agreement between East and West and especially between the great powers. We must, therefore, support every proposal and action that will bring about Summit talks. The British Labour and Trade Union movement stands committed to the suspension of atomic bomb tests and the establishment in Central Europe of a wide area of disengagement. The movement's declaration proposes that Britain should, on her own and without waiting for international agreement, suspend her own H-bomb tests. There is no doubt, therefore, about the enthusiastic support of the movement for initiating Summit talks by the Heads of Government, and for assisting those talks to success.

With such aims and hopes, the news from the East and from Budapest is staggering and revolting. The political murder of Prime Minister Nagy, General Maleter and two of their colleagues has filled the free world with



consternation and horror and a wave of bitter anger sweeps through it. It adds further crime to the brutal suppression of the Hungarian uprising for freedom 18 months ago. To have arrested Nagy, the constitutional Prime Minister of Hungary, at a time he was assured a safe conduct from the Yugoslav Embassy by the puppet Kardar regime; and to have incarcerated General Maleter, the Defender of Budapest and freedom in Hungary, whilst accepting the summons to discuss the withdrawal of Soviet troops, is bloody, criminal, and horrifying. It destroys confidence. The Russian leaders, able to keep events under control by their dictatorship and iron discipline within their own country, are quite clearly taking these continuing criminal steps to bring, and to keep, the satellites to heel. Grave apprehension must be the experience in many of these countries seeking an escape to freedom. It must be a further shattering experience to Poland. Mineworkers everywhere loathe, abhor and condemn this return to Stalinism—so emphatically condemned by Krushchev himself at the 20th Congress of the Communist Party of the U.S.S.R. I assert that Soviet Communism is as brutal and wicked as Fascism, that Stalinism is as criminal and as bestial as Hitlerism.

These events do not provide the happy circumstances to usher in talks at Summit level and reach understanding and goodwill, enabling the release of tension between the powers and making possible substantial progress in the practical elimination of hydrogen and nuclear weapons and in the reduction of conventional military weapons. Such events will be used by Statesmen and Politicians as a reason for committing to the grave the world's Summit hopes. They have shocked the public opinion which has pushed the Governments of the West towards agreeing to them. It will be harder to persuade many people that Summit talks this year could be fruitful.

Yet these grounds, grave as they are, are insufficient to set aside the need for the Conference. If there is any hope for securing some measure of agreement on the testing, manufacture and use of the bomb and of ensuring control and inspection. If conventional weapons can be reduced and if we can start upon a patterned way to real disarmament, the nations will be enabled to enter upon an epoch of greater safety, increasing prosperity and international well-being. Let the Soviet Union Leaders be put to the test. Are they sincere, or is it age-long propaganda?