

PRESIDENTIAL ADDRESS

MR. E. JONES (Vice-President) : It is now my great privilege and pleasure to call upon our President, Mr. W. Ernest Jones, to deliver his Presidential Address. As most of you know, this will be his last address to an Annual Conference before his retirement, which takes place in April of next year, and I am sure we shall have an opportunity later in the week of saying something about the great service he has rendered to this movement. At the conclusion of his Address I shall be calling upon Mr. B. Yates, of the Yorkshire Area, to move a vote of thanks to the President, and that will be seconded by Mr. Sam Watson, General Secretary of the Durham Area. The President.

MR. W. E. JONES (President) : Fellow members. We meet together at this Fifteenth Annual Conference of our National Union in an atmosphere of apprehension. The language of coal has once again become the language of crisis.

Little more than two years ago the Paymaster General was telling the House of Commons that the fuel and power demands of Britain would grow from its 1955 level of coal equivalent of 250 million tons to 310 million tons

of coal equivalent by 1965 (this figure including a net improvement in our import-export position of 10 million tons); and 240 million tons of these total fuel requirements were to be supplied by the coalmining industry.

However, in the past two years we have seen a situation developing which is destroying confidence in the future of the coal industry. During that time continuing stagnation, finally overtaken by recession, has resulted in a falling demand for fuel and power. During that time, also, the present Government has encouraged a changing pattern of energy consumption, which has meant the displacing of millions of tons of coal in the economy of Britain by heavy tonnages of imported residual oil, dumped in Britain from refineries, not only outside the country but outside the Commonwealth—fuel oil that foreign refineries must dispose of to keep their plants going and marketed at prices that clear supplies. The bulk of our additional fuel oil consumption has come from these foreign sources and not from our own refineries. This is a situation which is gnawing at the stability of a great and essential industry, and at the same time, is filling communities of coalmining folk with a deep sense of economic insecurity and impending social disaster.

There is not a complete economic answer to this question. The answer must depend upon economic, political and social policies; that is, upon the continuation of developing efficiency in the industry, to which all of us must play our part, and upon the action of the Government to ensure a full and complete place for coal in the industrial life and in the economy of the country. Whilst the industry's efficiency is proceeding apace, the action of the Government, in both endorsing and encouraging a "free-for-all" in the use of fuel, is sapping the strength of our external trading position and is destroying an industry on which the nation has had to rely in war and emergency, but which in peace, throughout every decade, the Tories have been willing to disregard.

In this postwar period, governments in every advanced country in the world have learned the necessity of assisting the growth and development of their industries and resources, thereby increasing the social well-being of their people as well as stimulating their national economic life. What of the British Government? Their action amounts to almost war upon the coal industry and therefore war upon all mineworkers. Since 1957 we have been calling for action which would remedy this lack of policy. We have not been listened to; we have not been heard; indeed, we have been ignored! With a fuel policy stemming from an efficient and competent coal industry the British Government have an outstanding opportunity to reverse the fuel and power trends of the past two years. They have the power, as well as the responsibility, for doing so. The miners of Britain demand, and the people of Britain must demand, that the Government retrace its steps. Only by doing so can the well-being of this nation be fully assured.

I propose to remind not only this Conference, but the nation, of a major problem which has created grave concern to Britain on many occasions since the end of the war—namely the lack of strength in our external trading position, our balance of payments and our gold and dollar reserves. This has given rise to the need to increase exports, to make ourselves more self-reliant and reduce imports where necessary, to achieve a reliable economic position

and a healthy trade balance. Authoritative persons have never failed to remind us that our gold and dollar reserves, at the levels at which they have stood in the post-war period, were, and still are, perilously low in comparison with the requirements they have to meet as the anchorage of sterling trade throughout the world. Moreover, it is generally agreed that we require to make available for investment in the Commonwealth and in the under-developed parts of the world an annual amount of between £200 and £300 million.

It is in the light of this situation that we call the nation's attention to the ever-increasing purchases abroad of foreign fuel in the form of oil. Whilst internal demand for coal fell last year by 10½ million tons, the demand for oil increased in terms of coal equivalent by 9 million tons. Our oil imports cost us £430 million, at a time when coal stocks were building up and when fuel oil was replacing coal.

The Government's case rests upon their insistence that Britain, like other modern industrial and trading nations, must develop the oil refinery industry. In this way imports of refined petroleum products would not be necessary. We do not deny the necessity for this development. We do not desire retrenchment within the oil industry. We do, however, demand that this development should be planned. That the needs of the country for refineries should be planned in association with what is best for the economy in general.

However, whatever case exists for spending external exchange for crude oil, this cannot be made in respect of those payments that are for fuel oil. These imports, the residual products of refineries abroad, cost us last year £63 million. Every gallon of that product which displaced the use of coal in Britain was as dangerous to our economy as a shrinking market abroad for our exports. Yet with perfect equanimity this Government encourages it to go on.

Tory spokesmen, as well as members of the Government, find consolation in what they refer to as "the overall oil position." If British financial interests in European and world refinery undertakings are to be their concern, then Britain must stand up to these vested financial interests and must require the country to make its stand accordingly. We demand that dumping of residual oil in Britain be stopped. Its price is not determined by its cost of production, indeed it is very much cheaper than crude oil itself. We call for a saving in the costs of these imports. Moreover, we consider the economy can best be served by a spreading of the revenue at present derived solely from petrol and engine oil, over fuel oil also. This is not a proposal for new taxation but a simple procedure to distribute more evenly the existing tax. It is said that this would be a burden upon export prices and may price us out of overseas markets, but I will return to this in a moment.

Unless action is taken, it is my belief that in the next two years the demand upon the coal industry, which this year is falling at the rate of 35 million tons as compared with 1956, will decline further and miners now producing coal for stock will no longer be required. We no longer have the cushion of Saturday working output to rely upon, for this cushion equal to the production of 36,000 men went a year ago. Nor can allowing wastage to exceed recruitment—though a great help—completely remove the difficulty. I see the problem in terms of grave social misery affecting scores of self-contained mining communities and the livelihood of scores of thousands of men. I also see the

problem in terms of economic lunacy. I believe Britain cannot afford to allow her coalmining resources to be liquidated. Every pit that might be closed before the end of its normal life would be lost, and, in many cases would be an irreplaceable national asset. The country must stand on its hind legs and demand a national fuel policy which :

- (1) has regard to the indigenous resources of British coal;
- (2) to our balance of payments position;
- (3) avoids dependence upon the politically unstable parts of the world;
- (4) ensures stability of future coalmining.

It remains for me to say a word about the effects of a policy which would check the present fuel trends in the interests of the coal industry. It is contended that if Britain is to retain and develop her industrial position it would be a mistake to set aside a cheaper form of fuel, and that it would be folly to divert the present trends, in order to rely more upon home supplies (as we do in agriculture), as this would result in higher industrial costs.

Let us take an intelligent look at what the difference in fuel costs are likely to be in the general cost pattern of manufactures by the use of coal as against the use of oil.

Some industries of necessity use a greater proportion of fuel in their activities than others. Consequently these industries have a higher fuel cost. Taken overall, however, the price of fuel and power in the costing of industry, generally represents less than 5 per cent of the total cost. In blast furnaces and the cement industry, the proportion is high, but in the bulk of industry it is low. In the textile industry, for example, fuel costs are approximately 1 per cent of total costs. In glass, china, etc., the cost is under 4 per cent. In these latter industries which are representative of British industry as a whole, even if the difference between coal and oil prices was 10 per cent, this would lead to a very insignificant difference in the final industrial costs. Moreover, nobody has suggested that the difference between the cost of using coal and oil is 10 per cent. Indeed, following a very careful investigation of prices made recently by economists and cost experts, it was established that therm for therm of heat produced, coal in Britain is cheaper than oil.

There are, therefore, no substantial economic grounds for the continuing development of the policy to oil with its obvious and inevitable reactions on communities of mining families and its great social upset and domestic misery.

It would be useful if we considered for a moment the sort of protection the nation has given to other industries. Agriculture has been given hundreds of millions of pounds—not to be wasted by farmers and agricultural workers, but to help to maintain a strong stable essential basic industry, curtailing our food imports and helping our balance of payments. Whilst it has cost money it has expanded the industry and has increased its efficiency by leaps and bounds.

But have not the aircraft industry, iron and steel, shipping and some other industries benefited by Government help and assistance? Moreover who is it that criticises the Government's protection of these industries and not least the motor industry? Take a look, at your leisure, and see the wide volume of

goods that come into Britain whose origin is outside the Commonwealth, and which bear various levels of import duty.

At the moment, the Union is engaged in discussions with both the Labour Party and the T.U.C. on our national fuel policy proposals, and on the need to implement some form of planning and co-ordination, which we believe to be essential for the production and consumption of the nation's energy requirements.

It is, of course, quite feasible that the Labour Party and the T.U.C. might not agree entirely with all our detailed proposals. However, I would point out that the Trades Union Annual Congress in 1957, accepted a resolution on the need for a national fuel policy and that the Labour Party did the same at its Annual Conference in 1958.

Moreover, the T.U.C. as long ago as 1951-52, were stressing the need for co-ordination in the nationalised fuel industries in their evidence to the Ridley Committee. Indeed, the Ridley Committee Report recommended that there should be a suitable body to advise on co-ordination between the nationalised fuel industries, but this recommendation has been completely ignored by the Government, to the detriment of the coal industry and to the detriment of the nation as a whole.

The Union has always believed that there is a need for close co-operation with the National Coal Board in order to ensure an efficient and prosperous coal industry and to maintain and improve the standards of the men in the industry. Never was there a time when it was more obvious that such co-operation was essential. The social well-being of those this Union represents makes this necessary, as does the industry's efficiency and the interests of the national economy. Recently when interviewing candidates for Union Scholarships to Ruskin College and discussing with them the present mining situation, one of them said he expected that to do their job well, "Mr. Bowman must pay regard primarily to the well-being of the industry, but must place high in his consideration, the well-being of the men; Mr. Jones must have regard primarily to the well-being of the men, but he must do this with some thought of the industry." I am in full agreement with the statement.

Nevertheless, the Union has always held that it must remain completely independent of the National Coal Board and reserve complete freedom to criticise and to make its own proposals when the situation so necessitates. In this connection, for example, we have sometimes been critical of the Coal Board's marketing department. Companies selling oil and oil appliances are challenging the last ounce of initiative that the coal industry can provide. We have been and still are critical of the slow progress in scientific research, particularly with the slow development of smokeless fuels, the urgent need for which has been apparent for several years

We recognise that the present situation is not of the National Coal Boards' making: our criticism is directed against Government policy. I have already condemned the Government's general economic policy and also their so-called fuel policy of leaving the consumer completely free in his choice of fuel regardless of the broad national interest. The country needs to fully recognise the true effects of this Government's economic policy.

The Government claimed in 1954 that this country could double its standard of living in 25 years, yet, following this announcement, we have had complete economic stagnation for nearly four years. Not only has this meant unemployment, and hardship, but it has also meant a fantastic waste of economic resources and lost opportunities. The Government, perhaps, has belatedly recognised this in its 1959 Budget in that it then decided to release some £300 million of additional purchasing power. However, it is worth noting the method by which the Government has made its tax reliefs. Thus, the major purchase tax concessions have been given on the most expensive and luxurious goods, while everyday household necessities have had no, or virtually no, reduction whatsoever. Again, in the field of income tax, there has been no increase in earned income relief or in marriage and child allowances. Instead, the bulk of the relief has gone to business companies and to those in the highest income groups.

The Government's attitude towards the National Coal Board is also one which causes considerable alarm. In my Presidential Address last year, I drew attention to the Select Committee's Report on the question of coal prices and said that the Union challenges the Minister and the Government to accept the recommendations of the Select Committee, but nothing whatsoever has been done in this connection.

This is a matter of the utmost importance. We believe that the National Coal Board must not be allowed to have a perpetual deficit. We believe that the Board should be financially strong and be able to stand on its own feet. It ought to have the marketable opportunities the situation warrants. The Board is not in this position at the moment because of Government policy. Throughout the postwar period the price of coal has been held down by the Government to the lowest possible level and indeed British coal has been the lowest-priced in Western Europe. At the same time the price structure has enabled certain types of coal to be sold below their market value, whilst the price of other grades might have been adjusted to benefit the purchaser. Moreover, the National Coal Board has had to absorb the loss of at least £70 million on imported coal. At the same time priority was given to the home market when large premiums could have been earned on exports. If world prices had been charged for British coal in the past, the industry would now have had several hundred millions of pounds with which to meet the present situation.

As a result the National Coal Board has now a deficit of over £32 million instead of the very substantial reserves that it could very easily have accumulated in the prosperous postwar years if the price of coal had not been kept artificially low and if burdens such as the loss on imported coal had not been placed on the Board by the Government.

If the National Coal Board is to compete it cannot do so with its hands tied. There must be greater freedom on the question of prices and the Board's lack of reserves should be made good by the Government—by the repayment of at least half the £70 million lost on imports—for it is the Government who is responsible. This is not subsidisation, it is not even payment in full. It is an offer to discharge the debt at half its cost to the industry.

Because security of employment and the maintenance of standards already secured, rank as the fundamentals of our efforts, this does not mean that the Union, giving co-operation to a high and quickly developing productivity, must remain content. Throughout this address I have considered it necessary, whilst stressing the political solutions that should be applied, to stress our responsibility to help the industry to combat oil by the development of a well organised and efficient coal industry. Indeed this is being done. In two years, productivity has been raised by 10 per cent so that nine men in 1959 are giving the production of ten men in 1957. I prophesy that developments now taking place will by 1961-62, result in an increase of a further 10 per cent. Out of this rapidly developing productivity the nation will derive tremendous benefit. Some part of the advantage is clearly the right of pitmen themselves. Hence the Union's decision to ask the National Reference Tribunal to award a shorter working day to miners underground and to colliery surfacemen.

On July 16th, that is in ten days' time, we shall be celebrating the 40th Anniversary of the entry of Britain's miners upon a seven-hour day. At the time it was awarded the output of pitmen was 15 cwts. per manshift. Today it is approaching 27 cwts. Before our next annual conference it will be almost double what it was 40 years ago. This development surely entitles the British miner to expect that his hours of work will be restored to those introduced just 40 years ago.

Before making my final remarks I must refer to the issues of nuclear war and disarmament now engaging the attention of Britain. Not only the Trades Union and Labour movements, but the overwhelming masses of the people of Britain should take heart from the movement's proposals for seeking to end the tendency of a growing number of nations to develop, make and test nuclear weapons. Gaitskell's statement to the last Labour Conference warned against "the terrible prospect" of more countries and Governments securing to themselves these weapons. More nations with these bombs means greater insecurity and provides less possibility for ensuring that they should not be used. All nations including the U.S.A. and the U.S.S.R. must move towards both nuclear and conventional disarmament, and with the decisions taken 18 months ago by the Conference of Experts, that it was technically feasible to set up a workable and effective control system to detect nuclear weapon tests, these two powerful nations must reach agreement for stopping the testing and manufacturing of nuclear bombs and missiles. Britain, however, as the only other nuclear power, must take the initiative for containing nuclear war developments. The adoption of Labour's policy means that Britain will lead willing nations to the establishment of a non-nuclear club, and to agreement not to test, manufacture, and possess nuclear weapons, and also to effective international control. Our collective security would remain through our alliances, for like the Russians we are entitled to retain them.

This Conference should endorse the policy that requires Labour to press the seeking of an agreement with every nation outside the U.S.A. and Russia to take action forswearing manufacture and testing of nuclear arms. We must insist that Britain take this step so making the peace of the world much more secure. Let us ensure that until agreement to cease manufacture by the

two great powers is secured we will lead the other nations to greater security when Britain, like them, will deprive herself of their possession too.

It is a long span to January 1910, but that was the time I started work as a pitlad, and the time I joined this Union. Many substantial and worthwhile changes have been effected in those years.

I now preside almost 50 years later at what will be my last Annual National Conference, for when the Conference meets again, my successor will not only have been appointed but will be in office. I am grateful for the opportunity I have had in my lifetime of serving this great movement, both politically and industrially. I am glad to have played some part in the changes that have increased happiness, relaxed tension, improved the standards of our people and have given fuller opportunity for social and material well-being. Of these changes I would emphasise the part the 1945-51 Labour Government played. It was then that the great social revolution started in real earnest, and we should not forget it as the 1959 General Election approaches. To win that election for Labour must be our all-absorbing preoccupation. Everyone of us must put into the campaign the effort and enthusiasm that will enable an outstanding victory to be secured—as was secured in 1945.

I express to you all my gratitude and heartfelt thanks for your many and generous kindnesses to me.

The future has its clouds and apprehensions but it has its hopes and opportunities. Those who follow us will respond to the challenges that will be made. They will pursue the aims and aspirations of this great trade union and its membership. The future whatever its problems and difficulties, is the friend of this great movement because people finding the future with goodwill and good sense, will find a future that belongs to humanity.