

PRESIDENTIAL ADDRESS

MR. S. BULLOUGH (Vice-President): Fellow delegates, it is my privilege to invite the President, Mr. Sid Ford, to deliver his annual address.

CHAIRMAN: Fellow members, four years ago, in reporting to the 1960 Annual Conference, the National Executive Committee referred to the previous years as being the most critical in the history of the coalmining industry. The demand for coal during 1959 had fallen by some 13 million tons, bringing the total fall in annual demand for the previous three years to no less than 33 million tons; the output of coal had been deliberately restricted in order to equate production to the lower level of demand; manpower had been reduced by some 47,000 in the previous 12 months and we were facing the consequences

that the closure of some 53 collieries must inevitably impose on the workmen and the communities concerned. The 1960 Annual Conference was also told of the revised plan of the National Coal Board in which was envisaged the closure of more than 200 pits between 1960 and 1965.

Looking back over the last four years, the period during which I have been privileged to serve as your President, it would in circumstances as depressing and sombre as those reported to the Llandudno Annual Conference, have been so much easier to follow the popular line of emphasising our disappointments and our frustrations and, as some people have been prone to do, exaggerate the industry's shortcomings.

Instead, believing that the realisation of our legitimate claims for improved conditions of employment depend on the development of an efficient and vigorous coalmining industry, I have consistently advanced the view, and I make no apology for this, that it was absolutely essential to restore confidence in this industry both on the part of potential customers as well as those employed in the industry, for unless we could do this the industry would face ultimate and absolute failure with direful consequences for those who depend on it for their livelihood.

I have, of course, been very conscious of the failure of successive Tory Governments to recognise the long-term economic and strategic value of coal and of their constant refusal to take any positive action to safeguard, what I believe to be, this country's most vital basic industry, but my belief and faith in the future was not based on false optimism.

I felt, as I explained to a Conference of the North Wales Area nearly four years ago, that the industry was then beginning to derive some real benefit from the research work that had been proceeding over the years; from the improved techniques that had been developed and were being introduced not only in the field of production, but in connection with coal utilisation, and, from the sales and technical services so necessary in connection with the marketing and sale of coal.

I also warned that same Conference that it would be a mistake to expect any dramatic upsurge of public sympathy for the nationalised coalmining industry, that would help us to solve the problems that bedevil it. People who travel by diesel and electric trains—and here I would remind you that the annual consumption of coal by the Railways has fallen from between 14 million and 15 million tons in the early years of nationalisation to something below 5 million tons at the present time—were unlikely to demand the restoration of coal-burning locomotives; people employed on oil-burning installations in the public services and in general industry were unlikely to rise up in support of our plea for the greater use of coal to the extent of insisting that such installations should be replaced by coal-burning equipment.

No; the future of the coalmining industry would, to a very large extent, be of our own making. In the circumstances it was absolutely essential to concentrate our activities on improving the efficiency of the industry, selling more of the industry's product, and convincing those then employed in the industry as well as potential recruits, that the industry had a future.

Four years ago the industry was sick. A doctor anxious to cure an ailing

patient does not remind him of just how ill he is; he will prescribe medicines and drugs but he will also seek to develop in his patient a faith; faith in recovery. This was the position with the coalmining industry. What has been the measure of our success?

The disposals of coal which had fallen to 194 million tons in 1959 had increased to 201·6 million tons by 1963. An average temperature of some 2°C. higher than the average temperature in the 30 years, 1931-60, has been mainly responsible for the setback which the industry has experienced during the first half of this year; in the first quarter of this year when the average temperature was 3°C. higher, the disposals of coal fell by some 4 million tons as compared with the same period of last year, but since the end of March we have maintained the average level of disposals of recent years. The figures of disposals over the last four years are encouraging in that we have been able to arrest the decline which had such an adverse effect on the industry in the years 1957-59, but the level of disposals is still such as to serve as a constant reminder that in spite of all that has been done, the industry continues to face unrelenting and fierce competition.

Considerable progress has also been made over the last four years in the field of production. Output per manshift worked (the yardstick of the industry's efficiency) has increased from 26·9 cwt. in 1959 to 33·0 cwt. in 1963, an increase of 23 per cent. In the first 24 weeks of this year in spite of there being 112,000 fewer men employed in the industry, we have produced approximately the same tonnage of coal as in the same period of 1960.

When the National Executive Committee reviewed the situation in the industry in March, through its Economic Sub-Committee, it recognised that there had been a considerable improvement as evidenced by the better financial results, by improvements in efficiency and by the level of coal sales; at the same time the Committee recognised that the future position of the industry would be conditioned by demand, and that this was dependent upon the Government's general economic policy, its fuel policy and upon the industry's own efficiency.

Whilst the National Executive Committee was reiterating its demand for a national fuel policy and re-emphasising Union policy in regard to the finances of the nationalised coalmining industry, it would seem that a "number of miners' leaders and economic experts from the universities" were preparing a plan, which according to its sponsors, was designed to bring about "a fundamental revision of the policy of the N.U.M."

To allow such a document, which has been widely interpreted as a criticism of the national leadership, to go unchallenged, might well be misconstrued and in view of the widespread publicity given to it, the sponsors of the document will not, I feel sure, complain if I follow the pattern set by them and seek the same measure of publicity for my views on the document.

Normally, one would applaud the initiative of a constituent association which sought to develop new ideas and through discussion thereon improve the policies of the national organisation; but the circumstances in which this document has apparently been prepared, involving clandestine meetings of officials of certain Areas of the Union outside the normal Union machinery,

and the calculated attempt on the part of those responsible to muster support for their views through widespread publicity, both in the national press as well as the circulation of thousands of copies throughout the coalfields, leads me to ask, just what purpose is this kind of activity intended to serve?

In posing this question I am particularly concerned about the timing of this campaign, bearing in mind that so many of the conclusions drawn and ideas projected in the document are akin to those which are being peddled by certain proscribed organisations and are unlikely to command general support with the trade union and labour movement.

I believe it is no accident that this campaign is launched within a few months of a General Election, the result of which we confidently believe will be the return of a Labour Government.

No examination of the circumstances of the nationalised coalmining industry would be complete without taking in the question of the financial obligations of the National Coal Board. As I have pointed out earlier, the Union already has a clearly defined policy on this particular matter which calls for a major capital reconstruction; this policy has been acclaimed by all sections of the industry and has the backing of the trade union and labour movement.

Why then, in the light of the present political climate, should anyone select this particular time to launch a campaign based on certain principles which, were they to become generally accepted within the Union could well bring us into conflict with the next Labour Government?

We are told by the sponsors that they have tried to provide a policy "that could unite the whole of the miners"; I suggest that the dissemination of ideas and policies based on distorted facts and misapplied economic principles are far more likely to undermine our unity than consolidate it.

It is claimed that "the document is the result of some painstaking research"; I suggest that this document does not represent an objective survey of the industry for the reason that the "economic experts" have ignored even the most elementary principles in their anxiety to find various statistics to fit their arguments. Indeed, I would go so far as to say that some of the conclusions drawn savour of either deliberate misrepresentation or sheer muddled-headedness.

Let us first examine this question of the National Coal Board's finances and the accountancy procedures which have been employed by the Board. Over the last six months or so, such terms as "fancy book-keeping," "manipulation" and "playing fast and loose with the amount reckoned as depreciation" have been used in advancing the argument that the National Coal Board "have been at considerable pains to conceal the great and growing surpluses that are arising," and that an inflated figure in respect of depreciation has been included in the Board's accounts in order to reduce the industry's operating surplus, thus producing an artificially low "accounting surplus."

The current assiduous propaganda based on the charge that part of the industry's resources are being "salted away" by "arranging depreciation" and is thus being deliberately diverted from the pockets of the mineworkers, must inevitably, as indeed it is designed to do, create doubt, suspicion and deep resentment in the minds of the great mass of the membership.

Were this grave charge of "cooking" the Board's accounts true, it would constitute a public scandal and would warrant not only the strongest possible condemnation, but would, in my view, call for immediate penal action.

But what are the facts?

The need to make proper provision for depreciation has been an accepted feature of coal industry finances since 1947. Indeed, some 12 years ago, the National Coal Board explained in their Annual Report that "the depreciation provisions substantially exceed the cash required each year for repayment of borrowings from the Government, by which the Board are wholly financed, the surplus being used to finance part of the current capital expenditure and thus to reduce the amounts of new borrowings." It is also worthy of note that much of what has happened in more recent years in regard to depreciation was foreshadowed in the earlier Annual Reports of the National Coal Board, when it was explained that the provision then being made for depreciation was based on the cost of the assets and "not on replacement values." As long ago as 1950, the Board made it clear "that replacement values" exceeded cost "because of increases in prices since 1947" and that further consideration would therefore have to be given to the Board's depreciation policy.

The Board also told us in 1951 of their aim to provide three-quarters of their capital expenditure between 1950 and 1965, from their depreciation fund. This estimate was revised in 1956, when we were told that in the previous six years, internal financing had provided only about half the money needed for reconstructing the industry, but that the amount from depreciation provisions would "increase as a result of the capital expenditure already incurred and to be incurred in the future." At the same time, the Board made it clear that, "By the end of 1965, internal financing should have provided about two-thirds of total expenditure since 1950."

I cannot recall any criticism being levelled against the National Coal Board in 1950-51 or 1956 when they explained the policy they intended to pursue in regard to self-financing and depreciation, a policy which, in recent months, has suddenly become the text for so many vicious and disparaging weekend speeches and articles in a certain section of the press.

There is, of course, a direct link between depreciation and interest paid by the Board on monies borrowed from the Government. More than four-fifths of the annual interest payments which the Board has to meet are in respect of monies borrowed from the Government for the reorganisation and modernisation of the industry. If the industry is to avoid increasing this terribly heavy burden of interest payments in future, it must seek to become self-financing. Much has already been accomplished in this connection. Of the cost of reconstruction of something in excess of £1,100 million since 1947, nearly £650 million has been found from within the industry through monies set aside under the provision for depreciation and from the disposal of assets. This measure of self-financing has served to minimise the amount already borrowed from the Government which stood at £536 million at the end of 1962.

The whole burden of the argument presented in the document is that, but for the "manipulation" of depreciation over the six years, 1957-62, the industry's finances would have appeared in a much more favourable light.

This, I suggest, is a complete fallacy; let me briefly refer to just what has happened during this period.

Between 1957 and 1962, the industry's assets (at cost less disposals) increased from £733 million to £1,189 million, an increase of £456 million. During the same period, the industry's borrowings from the Government increased by some £250 million, £230 million of which was borrowed in the slump years of 1957-60 when, of course, heavy capital expenditure was incurred in financing stocks that were put to ground; a policy which served to maintain a higher level of employment than would otherwise have been possible. Thus, during the period under review, the industry itself provided more than £200 million towards the cost of the increased capital investment.

In 1957, when depreciation provisions amounted to £47·5 million, capital expenditure amounted to £102·8 million; in 1962, when depreciation was £80·1 million, capital expenditure was £86·2 million. This is not then a case of an industry starting from a position of favourable financial balance and putting extra money aside; it is a case of an industry which was providing less than half its capital expenditure internally, moving towards the very desirable position of self-financing.

As the National Executive Committee has already pointed out, plant and machinery represents an increasing proportion of the industry's assets. Whereas in 1957 plant and machinery represented 42 per cent of the industry's total assets, an increase of £310 million during the six years under review meant that by 1962 this item represented no less than 53 per cent. Plant and machinery has a shorter life than most other assets and inevitably, therefore, the provision in respect of depreciation on more than 50 per cent of the industry's assets, because they are subject to exceptional wear and tear, must be substantially higher than the average.

In view of the foregoing, an examination of the interest payments during the years 1957-62 is of particular interest. During the slump years, the heavy borrowing from the Government meant that interest payments increased from £21·9 million in 1957 to £41·5 million in 1960, an increase of 89 per cent, but with the progress towards self-financing during 1961-62 interest payments increased by only £2·5 million per annum, or 6 per cent.

This, I submit, clearly emphasises the advantages and importance of "self-financing." But for the adequate provision made by way of depreciation, the industry would have required to have recourse to very substantial additional borrowings from the Government with the inevitable substantial increase in the already heavy burden of interest payments.

Of course, the provision for depreciation is a matter of speculation; this whole question is a matter of one's judgment. In making proper provision for the future through the writing-off of the industry's assets, the Board of necessity must estimate in advance, and circumstances could arise, although this is extremely unlikely during a period of rising prices such as we have experienced over the past 20 years, in which over a particular period, the Board could "over-provide" for depreciation. But in this event, monies set aside in this connection would not be lost to the industry.

Adjustments in later years would serve to compensate for any excessive

provisions. Indeed, an example of the need to make this kind of adjustment in the Board's accounts from time to time is to be found in the 1959 Annual Accounts when £10 million which had been set aside in earlier years for taxation, was found to be no longer required for this purpose, and was credited in the accounts, thus reducing a loss of £13·5 million for the year to £3·5 million.

I would turn now to the arguments advanced in the "plan" in respect of wages, and here we have the perfect example of "manipulation." It is, I suggest, particularly significant that those responsible for the document rely for their comparisons on weekly earnings, which of course include earnings in respect of overtime working, to the complete exclusion of any reference to wage rates. This is especially contemptible, having regard to the fact that only a month or so ago, all of us engaged in the negotiations with the Board, including at least some of those responsible for this document, objected most strongly and took the Board's representatives to task when they included overtime earnings in presenting counter arguments to the Union's claim for increased wages for daywagemen.

Significant, too, is the base date which is selected for the purpose of comparison. The sponsors do not offer any explanation why they selected 1956-57 for this purpose, rather than, say, 1946-47, and we are, therefore, left to draw our own conclusions. To me the explanation is obvious; 1956 is used because that year marked the end of what has been termed the "honeymoon period" and 1957 saw the beginning of the slump.

But none of us need to be reminded of the tragic experience of the industry in the 1957-60 slump period; of the contraction of the industry and the consequent pit closures and redundancies; of the fact that during the three years April, 1957, to April, 1960, daywagemen in this industry received one increase in wages of 7s. 6d. per week; of the fact that because of the cessation of Saturday working in 1958, many of our members experienced a substantial reduction in their overall weekly earnings. These were, unfortunately, the circumstances of 1957-60 and they are inevitably reflected in any statistics relating to that period.

But, if comparisons have to be made on the basis of average weekly earnings, in order to obtain a true reflection of what has been happening during the period under review, it is necessary to take into account actual hours worked.

The average weekly hours worked in other industries in April, 1963, was 46·9 compared with 48·6 in April, 1956, a reduction of 1·7 hours. Comparable figures for the coalmining industry are not available, but when allowance is made for the reduced number of shifts worked (the document acknowledges this to be in the region of 8 per cent) and for the reduced daily working hours as from January, 1961 (to which no reference is made in the document), then obviously the reduction in the average weekly hours worked in coalmining is greater, substantially so, than the 1·7 hours in other industries.

One other very important consideration, which is conveniently ignored by those responsible for the document, but which must be taken into account if comparisons with average earnings in other industries have to be made, is the question of short-time working. Fortunately, in spite of the difficulties we

have experienced in the coalmining industry, full-time working has been assured our members since 1947, their position having been safeguarded by the guaranteed five-day normal working week. In other industries, however, where many workpeople do not have a guarantee of a full normal working week, short-time working has been experienced from time to time, although it has not necessarily been reflected in the "average weekly hours worked," because it fell in periods outside the particular pay-weeks in the months of April and October, when the returns are taken by the Ministry of Labour and National Service on which the Ministry's statistics are based. For example, in the last two months of 1960 there were a substantial number of workpeople temporarily stopped or working short-time; indeed, in November, 1960, 2 per cent of the workpeople in manufacturing establishments, including 81,000 in motor vehicle manufacture, were working on average $11\frac{1}{2}$ hours less than a full working week.

Again, there is the problem of workpeople in other industries whose annual earnings are often depressed because of temporary unemployment or short-time working, due to inclement weather. For example, in February, 1963, more than 200,000 workpeople were registered as temporarily stopped from work and scores of thousands of others were on short-time working. The effect of this is not reflected in the figures of "average weekly earnings" as recorded by the Ministry, because by April, 1963, weather conditions had returned to normal.

You may well ask why was the review based on a six-years' period; the document is clearly intended as a criticism of policies which have been pursued within the industry over the years, and in all circumstances a much fairer comparison would have been to trace what has happened within the industry since it was nationalised in 1947. The reason why this was not done is obvious; a comparison between April, 1947, and April, 1963, would not support the arguments that the sponsors of the document were so desperately anxious to develop.

As I said earlier, this document has been widely interpreted as a criticism of the national leadership; if I have to be judged, I want to be judged on my own record, not that of someone else. In this connection I would remind you that the relevant details of "average weekly earnings" from October, 1960 (the first recorded figure following my election as your President) to October, 1963 (the last recorded figure) shows that during this period we have, at least, held our own in so far as average weekly earnings are concerned:—

| | <i>All Industries</i> | | | <i>Coal Industry</i> | | |
|------------------|-----------------------|-----------|---------------|----------------------|-----------|--------------|
| | <i>Earnings</i> | | <i>In 'ex</i> | <i>Earnings</i> | | <i>Index</i> |
| | <i>s.</i> | <i>d.</i> | | <i>s.</i> | <i>d.</i> | |
| October, 1960 .. | 290 | 8 | 100 | 325 | 7 | 100 |
| October, 1961 .. | 306 | 10 | 106 | 343 | 3 | 106 |
| October, 1962 .. | 317 | 3 | 110 | 358 | 6 | 110 |
| October, 1963 .. | 334 | 11 | 115 | 375 | 0 | 115 |

But these figures, if they are to mean anything, must be related to average weekly hours worked. In the case of other industries, the time worked in October, 1963, was 24 minutes a week less than in October, 1960. In coal-

mining, it is estimated that because of the reduction of hours as from January, 1961, and a slightly less number of shifts actually worked, the time worked in October, 1963, was between 60 and 70 minutes a week less than in October, 1960.

The short point, therefore, is that over the last three or four years, we have held our own with other industries in so far as earnings are concerned and made greater progress than most in relation to shorter working hours.

As I have pointed out in recent Area meetings, I do not make this point with any smug satisfaction. Believe me, the three National Officials have yet to enjoy the experience of complete satisfaction with the outcome of a set of joint negotiations. But I do claim that we have done as well as most could have done in face of the very difficult circumstances confronting the coalmining industry over the last four or five years.

Unlike the first ten years or so of nationalisation when, in order to meet increasing costs, the industry's resources could be increased by additions to coal prices, the last four daywage claims have been negotiated in an atmosphere of extremely difficult market conditions which, according to the Board, have demanded stability of prices. Consequently, we have had to rely on steadily increasing efficiency to absorb the cost of the improvements we have been able to negotiate. Here, let me remind you, that the policy of price stability—and I recognise the need for such a policy within certain limits—is not a product of the era of the present leadership in the industry, for it was made clear to this Union as long ago as 1958, by the then Chairman of the National Coal Board, that the financial troubles of the industry could not be corrected, by price increases. To do so, he said, “would further reduce competitive power and cause increased problems of disposal.”

In the plan we are offered some “guesstimates” and some ideas for the future; there is nothing very new, certainly nothing profound about any of them. The need for the industry to offer security, a better standard of living reflected in higher real wages and more leisure time, improved training facilities, a much higher standard of safety and health, have all long since been to the forefront of our aspirations.

I have taken advantage of my Presidential Addresses to emphasise the need for improved training and for the need to “redouble our efforts to achieve greater safety and a higher standard of health in this industry.” I have made it absolutely clear, and would take this opportunity to once again stress, that as a union we must discourage workmen from “neglecting the principles of good mining practice”; discourage them from taking risks. The need for a more rational wage structure, the need to make provision for some kind of bonus which will enable daywagemen to share in the increased prosperity of the industry, of finding some way to reward men for long and faithful service and especially rewarding workmen on shift work, have all been raised with the Board in principle and within the Union we have already decided on our priorities on these matters.

When the sponsors of the plan venture into the field of National Union of Mineworkers organisation, their reasoning is no less confused than when they were dealing with the affairs of the industry. Contrary to what the “experts”

would have us believe, there are no "coalfield autonomous unions" associated with the National Union of Mineworkers. Those representatives who talk glibly of the need to strengthen the national organisation but lose no opportunity to undermine its authority by disregarding and repudiating agreed procedures and who by devious means seek to maintain a façade of Area authority are, I must warn them, subject to the authority of the National Union in all matters and activities appertaining to our trade union and industrial work.

In that section of the document dealing with the N.U.M. organisation much is made of the need to develop specialist services; the fact that over the last 13 years we have established additional specialist departments at headquarters for Industrial Relations, Economic and Research, Safety and Health, each administered by an appropriate specialist, seems to have escaped the notice of the sponsors of the plan. I would be the last to claim that we have developed the perfect administration; I would hope that as a result of the initiative taken by the National Officials within recent months, it will be possible for us to provide a more widespread and uniform safety and health service of a truly specialist character throughout all Areas. Likewise with the Social Insurance service that the Union already provides; here the National Executive Committee has agreed in principle that we should aim at the employment of more specialist assistants throughout the Union's Area administration and this decision will be progressively implemented into the future.

Needless to say, I am not impressed with this so-called plan. Indeed, the document belies its title in that proposals as to how this industry can provide the wherewithal of meeting the cost of the different reforms enumerated therein, are conspicuous by their absence.

True, by implication, it would seem to be the intention of the sponsors that the provision for depreciation should be substantially reduced, thus supposedly enabling a greater share of the industry's resources to be given over to wages and the provision of better conditions of employment. But the arguments of those responsible for the document are based on a false premise.

If capital is spent on the industry, then to the extent that the assets—i.e., machinery, plant and equipment, etc.—are used up in producing coal, part of the cost of production is the wear and tear on the machinery used in so doing. The wear and tear on machinery and equipment is as much an item of cost in producing coal as wages and materials. Proper provision must be made for the necessary replacement of assets; to the extent that this is done through the provision for depreciation, the industry is able to keep down its borrowings from the Government and so prevent additional interest charges. This, as I have previously shown, is to the advantage of the industry and consequently must be in the ultimate interests of those employed in it.

Those responsible for the document also "admit that the programme outlined will require the election of a Labour Government." Already there are those who, having accepted the arguments advanced in the document at their face value, are anxiously awaiting the return of a Labour Government, who would be expected by them to deal with and eliminate the alleged

malpractices in regard to the Board's finances as well as to take steps to develop a national fuel policy based on indigenous coal.

So that those who may have been so impressed do not suffer disillusionment, I would remind them that the Coal Industry Nationalisation Act requires the National Coal Board to keep proper accounts which must conform with the best commercial standards and be published in such form as the Minister may, from time to time, direct. Let me also remind them that when the Minister did so direct in 1948, he specifically referred to an "analysis of depreciation provisions for fixed assets."

Anyone that imagines that a Labour Government would be willing or could even contemplate transferring the burden of the replacement of the industry's assets from the industry to the Exchequer, is living in a fools' paradise.

As you will know, we have failed over the years to obtain broad acceptance by the Labour movement of our plea that the compensation in respect of the vested assets should not be a charge against the industry's resources. We have received no support for any proposal that we have made, whereby the coalmining industry should be given specially favourable terms in respect of the interest rates charged by the Government on moneys borrowed in order to finance the modernisation programme. Other facets of National Coal Board finances, including the possible revaluation of the vested assets have been raised in discussion over the years, all without success.

I am convinced that the most we can expect from any future Government by way of assistance in easing the financial burdens of the National Coal Board is the once-for-all measure of writing off the accumulated deficit and writing down the industry's balance sheet assets in the light of the industry's current and prospective earning power. In this connection the Union has already made out a very strong case for capital reconstruction. In the earlier years of nationalisation, in order to provide the country with the coal it needed, the nationalised coalmining industry undertook capital commitments at the request of the Government which were known would be uneconomic. Again, the long-term planning of the industry and the capital investment necessary to support the original "Plan for Coal" was based on the Government's forecasts that the demand for coal would reach 240 million tons by 1965; these forecasts have not been realised, with the result the capital investments of the Board are now having to be carried by a much smaller aggregate production than was originally intended.

We have every right to expect that the consideration extended to the nationalised coalmining industry in this matter of capital reconstruction would be on a not less generous basis than has been followed in the case of companies operating in the private sector of our economy.

A realistic capital reconstruction would be far more beneficial to the nationalised coalmining industry and those employed in it than the more controversial ideas and proposals that have been advanced, most of which in any case are based on arguments and reasoning, the validity of which are extremely questionable.

To bank on anything more than capital reconstruction would be to delude ourselves and raise false hopes in the minds of our members.

What does the future hold for this industry and those employed in it?

As Union representatives our constant task is to improve the standard of living of those thousands of men we represent. This means we must aim at better real wages, security of employment, improved other conditions of employment, including increased leisure time, improved provision for periods of sickness and retirement and it means trying to make this industry a better and safer industry in which men can earn their livelihood.

But the attainment of those many reforms and improvements to which we all aspire depend on the ability of all associated with the industry to progressively improve its efficiency. They will come our way only if, in the ultimate, the resources of the industry are sufficient to carry them.

A national fuel policy, essential as it is, changes in the structure of the Board's finances, changes in the organisation and administration within the Union, will be no substitute for greater efficiency within the industry.

We have the assurance of the Labour Party that when they are returned to power it is their intention to plan the fuel and power industries of this country as a whole, the emphasis being on co-operation rather than on competition. The Labour Party recognises that it will be necessary for the coalmining industry to continue to supply the "base-load" of the country's inland fuel and power requirements and that the industry's output should be maintained at round about 200 million tons per annum; they accept that stability is essential if we are to have an efficient industry and in this connection we have their undertaking that temporary fluctuations in demand can be countered by stocking, the cost of which would be met by the Government.

Encouraging as are these assurances for the future, the industry still faces a very heavy responsibility. The public sector of industry and public services are likely to account for some 100-110 million tons of coal consumption per annum. Therefore, if the industry is to hold its target of not less than 200 million tons per annum, it will have to sell 90-100 million tons in the private sector, including domestic consumers.

We can confidently anticipate that there will be a steady increase in the overall demand for fuel and power in this country over the next decade or so and provided the coalmining industry can maintain a reasonable improvement in productivity, it should at least hold its own. But let us never forget that we shall only continue to sell our product to the extent that we can satisfy potential customers that coal will best meet their particular needs, taking into account convenience in use, convenience in stocking, quality, availability and that the price is fairly comparable with the price of alternative fuels.

Coal will not be sold simply on the strength of the plea that it is produced by the nationalised coalmining industry. As one of our branches secretaries put it recently, "People will not buy coal out of sympathy or sentiment; no one buys coal in order to try to keep pits open."

In my view the Union must play a positive role in creating the right attitudes and sound policies which I would hope would be the basis of future developments in this still great industry. Unity within the Union is important but it is not enough; what is especially necessary, if we are to fulfil our task, is unity of purpose within this industry.

From time to time we will have our disagreements with those responsible for management, but we can only hope to solve the problems that face the industry in consultation and in co-operation with the National Coal Board.

People who continually foster the idea that there are two sides in this industry with separate and conflicting interests not only do a grave disservice to those who rely upon this industry for their livelihood, but their attitude serves to project a distorted image of nationalisation.

I believe the most pressing problem for this industry in the immediate future is that concerning manpower. In arguing the recent wage claim with the Board we referred to the fall in manpower in every Coal Board Division—the net loss in manpower in the first 24 weeks of this year was 11,600. The Board must face the fact that for some months now more than half the wastage in this industry has been voluntary, i.e., men leaving the industry of their own volition, one assumes, to take up employment in other industries, and I am convinced that this heavy drain will continue unless the industry can offer more competitive wages and greater security of employment.

We have now reached the stage in which progress towards greater efficiency is being retarded by local shortages of manpower. We have to face the hard fact that a not insignificant number of collieries, which by present-day standards are woefully inefficient, have been maintained as producing units only because of the financial assistance provided by the more efficient collieries. But we are fast reaching the point where some, at least, of the more efficient collieries are not maintaining the level of progress that we would have wished. If this state of affairs is allowed to continue indefinitely, it will have the effect of reducing the average efficiency of the industry and this, in turn, will inevitably increase costs of production, thus weakening our position in the constant fight to maintain a reasonable market for coal, and indeed, will be a most seriously limiting factor in our efforts to improve the well-being of those employed in the industry.

I believe that as an industry we have to do something far more positive and perhaps even dramatic to ensure that the available manpower is used to the best advantage; I question whether sufficient is being done to encourage men to take up employment in the more efficient collieries. Social considerations can often justify the retention of an uneconomic pit in production, but I doubt whether it is wise to retain men of the lower-age groups at collieries with a very limited life, when they could be employed to far greater advantage at collieries of above-the-average efficiency and where, invariably, working conditions are so much better.

There are, of course, a number of considerations which have a direct bearing on this matter, particularly the need to offer fair wages taking account of the task performed or the measure of responsibility accepted, an opportunity for all workmen to share the benefits from increased productivity, coupled with some special provision to take account of inconvenient working times and long service, but these are to be the subject of detailed consideration over the coming months and I will not, therefore, attempt to anticipate the decision of the National Executive Committee thereon.

The industry's immediate concern, I suggest, must be, what can be done,

and done quickly, to stem the flood of manpower from this industry, at present of the order of a net loss of 800 a week?

Very substantial financial inducements are offered by the Government to industrialists to encourage the transfer of industry to certain areas. Why should the mining industry not seek, through special financial inducements, to encourage men to transfer to the more efficient pits?

We must as a Union play our part in seeking to increase the resources of this industry and in carrying out those functions implicit in our constitution, i.e., to advance and protect the interests of the members, we must ensure that the members generally will have the opportunity to share in what I believe will be the fruits of such a policy—an increasing prosperity for the nationalised coalmining industry.

May I conclude by quoting two extracts from a book on coal written by a man who we can confidently regard as the next British Prime Minister, the Rt. Hon. Harold Wilson, M.P.:

“Nothing contained in this Plan for Coal is inconsistent with the wider planning of the nation’s fuel and power resources as a whole . . . the coal industry will have to stand on its own feet, if it is not to be a drag on the other industries and the economic life of the nation.

“Just as nationalisation will not of itself solve the problem of industrial relations, but is an essential condition of a solution, so, also, in the technical sphere, nationalisation will do no more than create the conditions in which the skill and experience of mining engineers and miners will have full scope. Nationalisation will call for forbearance and a sense of responsibility, for leadership and a willingness to forget the bitterness of the past. But the reward of success will be not only the preservation and prosperity of the British coal industry, but the achievement of proving that, freed from its present handicaps, it can again lead the world. More important still, it will show, in one of the most difficult of all industries, not only that socialism and efficiency are compatible, but also that socialism, properly applied, is the only means to full efficiency; and, finally, that, through that efficiency, the interest of the consumer, in a plentiful supply of coal at a reasonable price, can be reconciled with the right of the miner to a high standard of living, good working conditions, and an effective share in controlling the destinies of the industry in which he works.”