

PRESIDENTIAL ADDRESS

MR. S. BULLOUGH (Vice-President): Fellow delegates, ladies and gentlemen, it is my privilege to call upon the President to deliver his address. The President, Mr. Sid Ford.

CHAIRMAN: Fellow members, we meet in Annual Conference this week, in what may well be one of the most crucial periods in the long history of the British coalmining industry.

In spite of all our efforts over the past eight or nine years to secure the adoption of a national fuel policy which would ensure that coal—the very valuable natural source of power and energy which we have in abundance in this country—would be exploited to the greatest possible advantage in the interests of the nation, and, in spite of the fact that we have today a Government pledged to adopt (to use the words of the Prime Minister) “an overall fuel plan based on a clear recognition that our own coal industry should not be allowed to decline any further,” we are faced with the prospect of a continuing indiscriminate contraction of the nationalised coalmining industry.

It must by now be abundantly clear to everyone that in the absence of some positive and urgent action by the Government, we could well reach the point within five years where, although there would have been a substantial increase in the overall inland demand for energy, the total inland consumption of coal would have fallen below the current level. Indeed, unless there is a fundamental change in the attitude of the Government, the share of coal of the total inland consumption of energy, which now stands at approximately 65 per cent, could well have fallen to something in the region of 50 per cent by 1970.

This possibility prompts me to ask, can this country afford to contemplate such a state of affairs? At a stage in its history when the need for planning is accepted by most people, and was the main theme of the Labour Party's General Election campaign last autumn, can this country afford to accept as inevitable a situation in which the nation's energy requirements would to an increasing extent be satisfied by the use of imported fuels whilst at the same time indigenous coal, still in my view a great national asset, is allowed to run to waste?

As a Union we have consistently advocated that the best interests of the nation would be served by the adoption of a national fuel policy designed to make the greatest possible and best use of the valuable indigenous source of fuel that we have underground in this country, and I have never doubted that in this demand we have had the unqualified support of all sections of the Labour Movement.

Six years ago the Labour Party National Executive Committee issued a statement on "Fuel and Power Policy" in which they stated, "the mining community can rest assured that the Labour Movement will not leave them to bear alone the weight of the burden which should be shared by the whole nation." The statement went on: "The first essential is that there should be a rapid expansion of industrial production, especially in the heavy industries. Labour's plans for expansion and higher living standards will achieve this and a consequent increase in the demand for coal. Secondly, we need a long-term policy for the production and use of fuel. The fuel industries—coal, gas, electricity and atomic energy—must be viewed as a whole and plans made on this basis. We must also consider how far Britain should depend on imported oil to meet our fuel requirements. Full consideration must be given to the strategic and balance of payments issues involved. The Labour Party is therefore engaged in a study of the problems arising from this. This study will bear in mind certain essential considerations: first will be the use of efficiently mined indigenous coal."

Over the last seven years resolutions calling for a national fuel policy have been adopted by Labour Party Annual Conferences and the Trades Union Congress, and the subject of fuel and power, with particular reference to coal, has been debated from time to time in the House of Commons. In pursuance of the policies approved by both the political and industrial sections of the Labour Movement, the Parliamentary Labour Party when it was in Opposition, consistently criticised successive Tory Governments for their failure "to take any positive steps to assist the coal industry" and made it clear that the Tory policy, based as it was on the view "that unrestricted competition and consumer freedom was the right approach," was completely unacceptable to the Labour Party. In 1959 it was argued on behalf of the Party that "to abandon coal production because of narrow cost margins as between coal and oil would be the height of folly and, for the nation, economic suicide. Coal must have its place in the national economy. The Government should state what this place was and should organise around it. The right figure for production of deep-mined coal was about 200 million tons a year. This was a figure which would give sufficient scope for expanding the oil industry and the nuclear energy programme."

In 1961, it was contended that "the national interest required the formulation of the wisest plan to ensure the preservation of our most valuable and essential asset—our coal reserves. It was imperative that the coalmining industry, which was passing through a most difficult period, should be kept in good heart so that it could meet the very great problems and requirements that will be placed upon it in the future."

Again, in the following year, the Tory Government was criticised "for failing to make proper use of the nation's resources" and the Opposition spokesman "called for a national fuel policy," whilst in 1963 it was argued on behalf of the Parliamentary Labour Party, that "the country was becoming too dependent on fuel being imported from countries where there was no political stability."

In the light of these arguments and commitments it is not surprising that we believed that with the election of a Labour Government urgent action would be taken to enable the coalmining industry to develop its resources to conform to the most modern and highly efficient mining techniques.

I do not quarrel with the attitude of those who contend that in order to formulate a national plan for economic development, it is necessary to estimate the nation's energy requirements on certain economic growth assumptions; I am not unmindful of the changing pattern of energy consumption, evidenced by the reduced consumption of coal in the gas industry; by the fall in consumption of coal by the railways from 15 million tons in 1944 to something less than 4 million tons at the present time, and by the fall in domestic consumption. Neither can we ignore the progress that has been made in recent years in the more efficient utilisation of fuel or of the introduction of new sources of power and energy, none of which at the moment are of an indigenous character; but the likely effect of the changing pattern of energy consumption, more efficient fuel utilisation, and the development of new sources of fuel and power were known to us all when the Labour Movement was committing itself, almost annually, to the need for a national fuel policy "based, first on the use of indigenous coal."

Instead, however, of stating the place for coal and organising around it in accordance with the Labour Movement's fuel and power policy, as accepted by Party Conferences over the past six or seven years, there has been a reluctance on the part of the Government to give any firm undertaking that its policy in relation to fuel and power would provide for the productive capacity of the coalmining industry to be maintained at about 200 million tons per annum, a target figure to which the Labour Movement has been committed for so long.

The failure of the Government to take urgent action along the lines of the policy which was consistently advocated by the Parliamentary Labour Party in Opposition has been in my view, an unfortunate and grave omission.

The consequent uncertainty about the future of the industry, giving rise to doubts about the future prospects of employment, has been, I believe, the main reason why the net loss of manpower over the past six to eight months has been higher than during any similar period in the last six years.

Whilst the attitude of those of us who are directly associated with coal will

be clouded by a natural prejudice in its favour, we have to recognise and understand that the Government must, in the ultimate, adopt policies which, in their view, are best suited to the country's needs. But, I am one of those who believe that despite new discoveries and technical developments in the field of fuel and power, this country just cannot afford to ignore the still great potential of indigenous coal. In my view, the claims of the nationalised coalmining industry for some broad guarantees to enable it to stabilise itself over the next decade or so, are not inconsistent with the wider economic interests of the nation.

To anyone who accepts that this country needs a strong and efficient coalmining industry to supply the "base load" of its future energy and power requirements, the serious manpower situation as it has developed over the past 12 months must offer a quite frightening prospect. But, on the other hand, there are those people who recognising that the country will face an overall manpower deficiency within the next five to ten years, would solve this problem, if not wholly, certainly in part, by encouraging the drift of manpower from the older basic industries to the new developing industries and services.

For myself, I do not question the desirability or indeed the advisability of fully utilising new and improved techniques in industry which will bring about the more efficient and effective use of the available manpower, or of taking full advantage of the new and developing industries, but I do seriously question whether the best interests of this country will be served by adopting policies which are intended to encourage a shift of manpower from industries like our own, thus forcing an inevitable further contraction of the coalmining industry and the development of circumstances in which the nation's industries and public services would have to rely on imported fuels to meet 50 per cent or even more of our total energy requirements.

The Labour Party has stressed in the past that in considering the merits of different fuel policies it is absolutely essential to have regard for one vital consideration, which far outweighs any marginal short-term advantage; it is that of availability of fuel and possible price trends in the future.

On the question of availability it is generally accepted that coal will continue to provide the major proportion of the world's fuel and energy requirements for many years to come. In countries like Russia and the United States of America, they have recognised the need to maintain a strong coalmining industry; true, the proportion of their total energy requirements to be met by coal will be substantially less than in this country, but, because these two countries have ready access to indigenous supplies of oil and natural gas, their dependence on indigenous coal has long since been substantially less than in the case of this country. Another factor which I believe will influence events of the future, is that the production of coal in Europe may well fall substantially over the next decade, not necessarily as a direct consequence of the effect of competition of alternative fuels, but because production in certain of the older coalfields of Europe is fast becoming completely uneconomic and no alternative reserves of coal of a reasonable quality appear to be available in the countries concerned. In these circumstances there is

surely a very strong case for ensuring that we in Britain, too, should take full advantage of the reserves of coal that are available to us.

With regard to price trends in the future, in my view we cannot, in trying to anticipate future events, disregard the tactics employed by the oil companies over the last eight years. That the use of oil in the industrial market would increase, has been recognised and accepted for many years. It was not, however, until some seven or eight years ago that certain oil companies, new to the industrial fuel market, intervened and immediately cut prices to obtain orders; one result of this intervention was that oil companies already established in the fuel market, reduced their prices too, leading to a general fall in oil prices.

It was in these circumstances that we experienced a very substantial fall in demand for coal in the industrial market. The imposition of the oil tax in 1961 and steps taken by the National Coal Board through the industrial sales campaign, to some extent stabilised the position during 1961-62, but with the pressure of increased selling activities and with a still further number of oil companies showing an interest in the fuel oil market, there were further reductions in price levels of fuel oil; it was in these circumstances that increasing numbers of industrial and commercial consumers turned away from coal.

Clearly, in the struggle for fuel orders, particularly over the past eight years, the emphasis has been on price. The weapon of price-cutting and rebates has been used in circumstances in which fuel oil has had to compete against a long-established alternative fuel, indigenous coal. But, I would suggest that the attitude of the oil companies would be so very different in circumstances in which coal was no longer a serious competitor.

Were the oil interests able to obtain a monopoly of the fuel market, price-cutting as an instrument of competition would not longer be necessary or appropriate.

The threat of increased oil prices, should oil command a monopoly of the fuel market, is a very real danger, for unlike coal, the price of which has been controlled by the Minister for the past 25 years, no such measure of restraint could be applied so far as oil is concerned.

Some two months ago, following the announcement in the House of Commons by the Minister of Power that the Government had agreed on a number of short-term measures to assist the coalmining industry, I pointed out that whilst helpful, the policy outlined by the Minister would do little to counter the tactics being employed by the oil industry of offering fuel oil at uneconomic prices in order to "squeeze out" coal. At the same time I made the point that in the absence of some Government intervention the position might well arise in 10 to 20 years' time, where the British economy would be completely dependent for power and energy on foreign oil, which having a monopoly of the fuel market, would be in a position to charge exorbitant prices.

Just two weeks ago, the First Secretary of State and Minister for Economic Affairs, speaking at the Yorkshire Area's Eve-of-the-Demonstration Dinner in Barnsley, said: "he had no intention of allowing the country to be left

to the mercies of those (oil interests) who could be very nice today but who, once they had a monopoly, might be very different."

At least, it is heartening to know that the Government are alive to this very real and serious threat to our national economy; it is to be hoped that they will take this grave possibility fully into account when formulating their national economic policies.

In recent weeks much has been said and written about "knocking" campaigns; the coalmining industry has had more than its share of "knocking" over recent months. I am appalled by the attitude of people who so glibly write off the coalmining industry; who tell us that "coal is on the wane" and that the replacement of coal by other fuels is a "natural development"; that it would be "gross folly" for the coal industry to think that the Government was always going to subsidise it. I detect, too, some inconsistency in the contentions of those who argue that the closure of a particular pit should be opposed on the grounds that it would entail the sterilisation of coal reserves and yet at the same time are ready to accept that there should be a complete sterilisation of all our coal reserves, when they argue that if Britain's energy requirements can be met in better ways, and if adequate and satisfactory alternative employment is available for the men concerned, mining could be eliminated altogether.

For my own part, I share the view of the Minister of Labour, "that the coal industry in the foreseeable future is going to be a very vital part of our national economy and it is the height of stupidity to allow that industry to drift and the morale of the men in it to go down." I believe that with an expanding national economy, which of itself will create an increasing demand for energy and power, there will be need for an efficient and reasonably competitive coalmining industry in this country.

What then ought to be done in the present circumstances of the industry?

First we must be told by the Government just what is expected of the industry over the next decade or so.

Because of the announcement of Government policy in respect of capital reconstruction, which the Minister of Power made in the House of Commons on Thursday last, I would like at this point to depart from the prepared text of my Address—which, may I explain, was prepared some ten days ago in order to meet the deadline for printing.

As will be seen from my printed Address I have held the view that the first priority has been to decide on the size of the industry for the foreseeable future and having done this, secondly, for the Government to authorise an appropriate and realistic capital reconstruction.

The Minister has now indicated the Government's intention to write off £400 million of the industry's capital debt. I must make the point here, that the industry has been over-capitalised: it has been carrying a heavy capital burden imposed on it by successive Governments to meet the energy needs of the country, which, as we now know, have fallen far short of the earlier estimates. It has now been recognised on all sides that it is palpably wrong that the industry should be expected to bear such a burden under the changed conditions.

The effect of the Government's decision will be that interest charges will be reduced by about £20 million per annum; there will be other benefits, but at this point of time we have not sufficient information at our disposal to enable us to quantify the likely additional savings.

Helpful as is this decision, it does not in any way relieve the industry of the task of selling coal in competition with alternative fuels, and in this connection let us never forget that the industry will only sell as much coal as consumers are willing to buy. The benefits that can accrue to the industry as a consequence of the decision of the Government, must not be squandered; we must in the months and years that lie ahead, constantly pursue that overriding aim of nationalisation, viz. the modernisation of the industry.

The second priority has been satisfied. Having got capital reconstruction in broad terms, there is still the all-important question of the size of the industry. In this connection nothing has happened since I prepared this Address to in any way change my view as to the need, in the interests of this nation, to sustain a strong and efficient coalmining industry.

The Minister in his statement on Thursday strongly hinted at a further contraction of the industry, and said: "the Government are prepared to enter into discussions with the industry for a scheme to provide special funds to speed the disappearance of uneconomic collieries. The funds would be available to accelerate the provision of alternative industrial development in the areas mainly affected, and also to assist the industry in meeting the social and human costs arising from this programme."

We shall want to know the size of the industry contemplated by the Government in terms of production, the number of pits, the coalfields, to be affected; it will be necessary to ascertain just what special provisions the Government have in mind in regard to retraining, assistance in transfers, housing, re-development, etc. But, it is to the credit of this Government that they have recognised the need to assist the industry in order to avoid the grave social consequences so often associated with industrial reorganisation.

While the availability of funds is important, we are equally anxious to know what action the Government proposes to take to meet these problems. For my part I want to emphasise that the size of the industry is still important. The bigger it is, the greater chance we have of developing a healthy and viable industry; the more efficient, the more prosperous it is and better able will it be to provide the proper rates of pay, and improved conditions of service for what will, admittedly, be a smaller labour force producing, as I believe will be necessary in an expanding national economy, round about 200 million tons a year.

Having set a target for the industry, the Government must by example do much more to encourage the greater use of indigenous coal. Far too many officials who have the responsibility of advising on the installation of heating and energy-providing plant, disregard completely the possibilities of solid fuel-burning under modern conditions and have come to accept the use of oil as inevitable. The Government should insist that public authorities ought normally to rely on coal and that alternative fuels should only be used when there is an overwhelming case for doing so.

What can we ourselves do to strengthen the position of the industry?

I want here to re-emphasise two points that I made 12 months ago: first, that there is no substitute for greater efficiency within the industry, and secondly, we will have to do something far more positive to ensure that the available manpower is used to the best advantage.

For some weeks now the industry's manpower has fallen by more than 1,000 a week; since the middle of October last the industry's manpower has fallen from 490,000 to 465,000, a reduction of some 25,000. If this trend continues over the next 12 months or so, the continued existence of a number of hitherto efficient collieries will be seriously threatened, for it is only a question of time before under-manned collieries become inefficient and inefficient collieries cannot survive indefinitely.

As a Union we have argued that if the industry is to attract and retain sufficient manpower to meet its requirements it must offer better rewards not only in the form of higher remuneration but other conditions of service must also be improved. But our demands have not been satisfied; and in the absence of complete satisfaction, in the absence of complete agreement between the Board and ourselves as to what is a fair and reasonable reward, can we afford to stand by and witness the gradual disintegration of this industry, for this is surely what will happen if the present trend is allowed to continue.

Personally, I take the view that it would be to the long-term advantage of those men who wish to remain in the industry for them to be deployed in the more efficient collieries.

There would, of course, need to be exceptions to any general rule; social consequences alone would make this absolutely necessary; but, I believe there ought to be an immediate and urgent survey by the Board and the Union to ascertain how best available manpower can be deployed, recognising that this would entail the concentration of operations on the more productive, more efficient, units.

Unless something is done, the burden of increased costs of production—and the shortage of manpower has reached that point where it is a very strong contributory factor in this connection—will necessitate an increase in prices. In the present circumstances of the fuel market this can mean only one thing, a still further reduction in the demand for coal and the inevitable consequential further contraction of the industry.

One other avenue which might be examined with advantage is that of part-time employment. There are probably hundreds of retired mineworkers, some of whom have already taken part-time employment in other industries, who would welcome an opportunity of working two or three shifts a week in the industry. I do not put this suggestion forward as a possible solution to the industry's problems; at best it can be no more than a temporary expedient, but it is one which, I believe, can offer certain short-term advantages in the present circumstances of the industry.

A suggestion of this kind may well be repugnant to some, but I repeat, have we to stand by in complete detachment, waiting for the introduction of those many reforms for which we aspire, while the industry wastes away?

To me, the tragedy of the nationalised coalmining industry is that having virtually reconstructed what was acknowledged by both the Government and the Opposition of the day, as well as many of the foremost mining engineers, to be an out-of-date and pitifully inadequate and inefficient industry under private enterprise, so many people now want to write it off. But for the burdens which were inherited from private enterprise, the nationalised coalmining industry would have been in a much stronger position to face up to the demands that were made on it in the immediate post-war years and more recently, to the competition of oil.

But in spite of all the difficulties that the industry has had to face, considerable progress has been made towards the development of a modern and efficient coalmining industry. Over the past five years there has been an increase in productivity of nearly 30 per cent—the like of which can be found in few sections of industry controlled by private enterprise. Some thousands of houses have been built for transferred mineworkers, to this extent relieving local authorities of this burden; scores of millions of pounds are being spent each year on supplies and machinery and of course the coalmining industry is one of the biggest ratepayers in the country. All in all a substantial contribution in the national interest.

Before I leave this question of the situation in the industry I want to debunk the suggestion that the nationalised coalmining industry has been subsidised by the taxpayer. The work involved in what has been almost a complete transformation of the coalmining industry has been financed either directly out of the industry's own resources or through borrowings from the Treasury on which the industry has had to pay interest; the latter commitment alone has cost the coalmining industry, in just over 18 years, something in the region of £500 million. The work of reconstruction—capital development—has cost the coalmining industry more than £1,250 million since 1947.

I want to emphasise that contrary to what some people would have the British public believe, this very substantial investment has been carried by the coalmining industry itself, not by the National Exchequer. The coalmining industry has not been living on the backs of the British taxpayer. It has done a lot for itself and relieved of the heavy financial burdens which it has had to carry since nationalisation, and assured through Government support of a measure of stability, I am convinced the industry can, and will, make a very real and worthwhile contribution within the national economy.

The recent disaster at Cambrian Colliery in South Wales was a tragic reminder of the need for constant care and attention in all matters concerning the safety and health of everyone employed in the coalmining industry. I share the view of H.M. Chief Inspector of Mines and Quarries that the continued failure to make any real impression on the accident rate in the mining industry is not merely disappointing but distressing in the extreme. I commend his advice that "real safety lies in getting every job, at all levels, done in the right way."

Far too many people are ever ready to ignore what to them, apparently, are irritating restrictions imposed by the Safety Regulations and often the elementary principles of good mining practice are ignored in order to obtain

high rates of production; this cannot be tolerated. No one is more anxious for higher productivity than me, but it cannot, under any circumstances, be at the expense of life and limb.

For our part, as a Union, we must ensure that our representatives at colliery level fully utilise the machinery and procedures that have been provided in the interests of greater safety. I would appeal to each and every one of you to regard this matter of safety in the pits as a personal challenge.

We here today have a vested interest in the coalmining industry, but let there be no misunderstanding about this: we cannot expect to have relative prosperity in the coalmining industry within an unsound national economy. The problems facing the coalmining industry cannot be solved in isolation.

Our problems are difficult. I feel that we have cause for complaint. We may be somewhat disappointed and uncertain of exactly what the future may hold.

But let us get our own position into the perspective of the Government's total responsibilities and the problems it now faces. Let us judge what we say and do by the consequences not only for ourselves but for the principles and policies which have inspired the Trade Union and Labour Movement.

For 13 years from 1951 to 1964 we had a Tory Government. We must be constantly asking ourselves the question—do we want this Government to survive and succeed or are we prepared to seriously risk another 13 years of Tory Government? I know my own reply—that Labour must succeed and win a further term of Government. The alternative is a prospect that I cannot contemplate and would do all within my capacity to resist.

This must surely be the view of the whole Trade Union Movement. We shall voice our complaints from time to time. We shall make clear where our own self-interest lies. We shall express our view about priorities. We have a right to do this. On the other hand we shall win no support, and shall not deserve to do so, if the pursuit of our own interests reaches a point at which it endangers the success of the Government itself.

There can be no rocking the boat. This is as true of individual trade unions as of individual Labour M.P.s. There will be no forgiveness for anyone or any group who willingly helps to bring the Government down. We shall sometimes have to subordinate our own interests to those of the great majority.

Consider the economic problem which faces the Government. It inherited a crisis from the Tories. It bravely tackled the problem despite all the odds. The Government has pushed ahead with a five-year plan for economic development—the first time this has been done in Britain—and this plan is to be published in the autumn. Steps have been taken to deal with the problem of the “two nations”—the difference between regions of full employment and those, like the North East and Scotland, where unemployment has often been twice the national average. A difficult prices and incomes policy has been agreed with both sides of industry because the familiar alternative of inflation and stop-go reduces the real value of wages and leads to unemployment.

The Government has tackled the economic situation despite opposition on all sides. It has had a difficult job to win the confidence of those people,

especially overseas, who could endanger its survival. It has been obliged to deal with an acute balance of payments deficit.

Any government might have felt that an economic crisis was sufficient to take all its energies, at least for the first six months. But on the contrary this Government has pushed ahead with vital legislation.

To those people who are already bemoaning the fact that the Labour Government have not so far redeemed all their pre-election promises and pledges, I would say, don't forget that the Government was elected on a full five-year programme. A five-year programme cannot be compressed into a few months—eight short months. It must be properly phased in order that it achieves its object fully and wins support in the country. There may be periods of temporary unpopularity. The important thing is that the Government should do the job well and then win a second term.

The present Government represents the whole nation, all sections and classes of it, and speaks for Britain abroad. It must do its job without fear or favour. It must be a tough government when this is necessary. It must also be a government which is just and seen to be just.

We may occasionally criticise or have reservations about details in its policy. This must never be a reason for hesitating in our support. The time to judge is not now but when the Government's full term has run. Then you should judge not between what the Government has succeeded in doing and what ideally it might have done, but between the Government and the alternative of a return to Tory rule.

The Government is serving the nation well. Let us play our full part in enabling it to do its job.