

PRESIDENTIAL ADDRESS

MR. S. BULLOUGH (Vice-President): Fellow delegates, it is my duty and privilege to call upon the President, Mr. Sidney Ford, to deliver his Annual Address to Conference.

The President, Mr. Sidney Ford.

CHAIRMAN: We meet today, on the occasion of the 22nd Annual Conference of the National Union of Mineworkers, with heavy clouds of uncertainty hanging over, what for years has been regarded as this nation's basic industry. It has been said of the coalmining industry that it was the foundation of this country's prosperity; only ten years ago, the then Chairman of the National Coal Board—an ex-colleague who had previously graced this platform as a national official of this Union—looking to the future, insisted that “coalmining is not a Cinderella industry; it is the key to Britain's economic future.”

But, today, instead of the kind of security and lasting prosperity that we had all imagined would be a feature of the coalmining industry under State control and ownership, we have an industry riddled with frustration, cynicism and doubt as to its future. As a consequence of this, thousands of men, many of whom came into the industry as juvenile recruits believing it had a future under nationalisation, are today, with more than half their working life still before them, turning their backs on this industry.

To understand the reasons for all this, let me retrace the events and changes in the industry over the comparatively short space of time of two decades.

In the early years of nationalisation the industry's operations were dominated, first by the incessant pressure for more and still more coal to meet the increasing demand for energy and power, due largely to the great upsurge of industrial activity in the post-war period; secondly, by the problems associated with the reorganisation of the industry—the need for which had been universally accepted even before nationalisation; and thirdly, by an acute shortage of manpower, the character of which was sufficiently serious to warrant the establishment of a special recruitment branch of the National Coal Board. It was in these circumstances that the National Coal Board, in conjunction with the Ministry of Labour and National Service, launched a very costly advertising campaign which held out the prospect of “a job for good” for men who were “looking for work with a future to it.”

That we increased the production of deep-mined coal during the first ten years of nationalisation by some 20 per cent was not enough; that the industry was unable to produce sufficient coal to meet the ever-increasing demand, meant that the Government was forced to take urgent steps to reduce the gap between production and demand. In this connection Government policy was aimed at securing the more efficient utilisation of fuel and encouraging the use of alternative fuels, particularly oil, and as a purely temporary expedient, arrangements were made for the importation of coal.

In 1956, the Minister of Fuel and Power stated that on the assumptions of rapid and continuous economic growth and bearing in mind continuing progress in fuel efficiency, inland demand for all forms of primary fuel would exceed 300 million tons of coal equivalent by 1965. By the National Coal Board we were told, "that this country needs all the coal that can be produced within reasonable economic limits." It was in the context of this kind of forecast that the Board estimated that the manpower requirements of the industry by 1965 would be 672,000.

Within a matter of months it became clear that 1956 had seen the post-war peak in the demand for coal; from 1957, the changing pattern of fuel consumption throughout the world became more apparent. It showed, and this was true not only of the older industrialised nations but of the developing countries—true, not only of the coal-producing countries but also of the fuel-importing nations—that solid fuel was meeting an ever-diminishing share of total energy requirements. Over the following three years the coalmining industry experienced a tragic, and in the light of the forecasts made in 1956, a quite unexpected slump in the demand for coal, a fall in the annual demand of no less than 33 million tons in three years.

So that after ten years of pressure for more and more coal and a continuing campaign designed to attract more manpower, the industry for the first time faced deliberate and calculated contraction of its productive capacity in order to bring it more into line with the level of demand. This meant not only the premature closure of many collieries but in order to adjust the manpower to the industry's requirements, additional arrangements were made for the compulsory retirement of men from the industry at 65 years of age, and in certain coalfields the recruitment of manpower—including juveniles—was banned or discouraged.

In the light of developments in the industry over the past ten years we have been concerned not only to avoid the kind of industrial and social consequences which can be associated with a too rapid contraction of industry, but we have, in the national interest, consistently stressed the need for a national fuel policy and the importance of avoiding the indiscriminate contraction of the nationalised coalmining industry.

We have in turn convinced the Trades Union Congress and the Labour Party of the need for a co-ordinated fuel policy based on making the maximum use of indigenous fuel, but it has been made abundantly clear that it would be quite wrong for us in the coalmining industry to think in terms of the pursuit of this policy in complete disregard of the changing pattern of energy consumption or the new fuels that are becoming available.

What is more, we have to recognise that a co-ordinated fuel policy is not seen in the Labour Movement as a means of bolstering-up or subsidising the coalmining industry; the application of such a policy would not relieve us of the responsibility of achieving a standard of efficiency through reorganisation and the adoption of modern techniques, procedures and mechanised methods which will enable the industry to market its product at a price which the national economy can carry.

Twelve months ago I expressed concern that the Government had failed to take action along the lines of the policy in respect of the coalmining

industry which had been consistently advocated by the Parliamentary Labour Party in opposition. I do not believe any useful purpose would be served in re-stating or developing further the arguments then put forward to underline my concern, if for no other reason than that we have since been made aware of the reluctance of both the Trades Union Congress and the Labour Party to commit themselves to a permanent pattern of fuel consumption wherein coal would have a static target figure, and also, of their insistence that the productive capacity of the coalmining industry "should be kept under constant review and adjusted according to changing trends."

Looking back over the past 12 months we have to recognise that the decision of the Labour Government to write off some £415 million of the coalmining industry's capital debt, represented a very substantial contribution to the industry's health and viability in that it removed the unfair burden of debt under which the industry had laboured since it was nationalised; also the decision to contribute up to £30 million to meet part of the social costs of reorganisation—a cost previously borne wholly by the industry itself—and the Government's resistance of the pressures of certain consumers for the importation of foreign coal, must be regarded as substantial and positive assistance for the industry.

But, massive (to use the words of the Minister of Power) as the financial assistance to the industry has been, the fact remains that the industry continues to face a crisis of confidence.

Today we are witnessing an indiscriminate contraction of the nationalised coalmining industry as a result of a very substantial increase in voluntary wastage—that is, men leaving this industry of their own volition to take up alternative employment—and concurrently, a fall in recruitment, particularly of juveniles.

This has been the pattern for some two-and-a-half years; week in and week out since the beginning of 1964, the cumulative figures compared with 12 months earlier have shown an increase in voluntary wastage and a fall in juvenile recruitment, until today (i.e., the figures for the week ended June 11th, 1966) total manpower has fallen to 426,042; a reduction of nearly 85,000 in the last two-and-a-half years, of which more than 41,000 has occurred over the past 12 months. One cannot, of course, attach any special significance to a change in the pattern which has occurred only over the last three weeks, but it is worthy of note that for the first time in two-and-a-half years, voluntary wastage over the last three weeks has been less than it was during the same period in the previous 12 months.

That men should be concerned about what the future holds is not surprising when one looks back over the events of the past ten years. It has been a difficult period for the industry and we have not been helped at times by indiscreet statements and distorted reports which have far too often exaggerated the problems that face the industry.

In the past it has been possible to cushion the effect of loss of manpower by increasing efficiency, but the extent to which we can rely on this process is limited, and we have now reached the point where the shortage of manpower

is seriously impeding production at many pits, the efficiency of which is suffering as a consequence.

It is not in the national interest that in the present circumstances the Government should stand by and watch this industry drift towards chaos and disaster.

What is the future of coal?

In seeking an answer to this question, I would couple with it a further question; it is, can we as a nation afford to turn our backs on coal for, what I believe to be some doubtful short-term advantage.

Prosperity for the great mass of the people of this country can only be achieved and maintained by a continued rise in industrial activity, and the measure of our success in this connection will depend on our ability to export, particularly manufactured goods, in an increasingly competitive world market. The standard of living of the British people depends on our ability to achieve an expansion of our economy, and highly industrialised as it is, adequate supplies of energy and power will be absolutely vital if this is to be done.

With industrial expansion, the overall demand for energy and power will increase substantially and what we have to decide is, will coal be required in, say, 20 years from now, for it has to be clearly understood that because of the nature of the coalmining industry, being as it is inflexible and requiring long-term planning, our ability to produce coal in the required quantity in the 80's will depend very largely on the policies pursued over the next few years.

This country is endowed with ample reserves of indigenous fuel which are readily available to us, and in the circumstances it would, in my view, be a grave mistake for British industry and the public utilities and services to become increasingly dependent on imported fuel.

Living as we do in a world in which the customer is concerned with quality and price—and this applies whether the customer is buying manufactured goods or raw materials, whether the customer is buying in the export or the home market, or whether the market is in the East or the West—it is understandable that within an economy like our own, which depends so much on the export of manufactured goods there should be an incessant desire for the cheapest possible energy and power.

But it would, in my view, be an act of false economy were we in this country to increase our reliance on imported fuels, thereby forcing a further contraction of the coalmining industry, only to find ourselves powerless in a few years' time to resist the most unreasonable price demands of the suppliers of imported fuels.

Any policy which permits of the abandonment of a large part of the coalmining industry in order to gain some marginal short-term advantage, could well be disastrous for the economy of this country in the long term.

Coal, we must recognise and accept, no longer has a monopoly in the energy market, but with America and the Soviet Union—the two most technically-advanced nations in the world today—planning to increase their coal production, this surely must lend support to our plea that the very

valuable and abundant natural fuel resources that we have in this country should not be allowed to run to waste.

For our part, we cannot afford to ignore the changing pattern of energy consumption or the new sources of energy and power that are becoming available. In this latter connection, we cannot afford to ignore the impact of natural gas, but this latest development—important and valuable as it is—really must be kept in perspective. As I have said in recent weeks, there is no evidence to justify the wildly exaggerated claims that the finds of natural gas in the North Sea and a few miles to the west of where we are now assembled, are likely to seriously undermine the coalmining industry, or constitute a serious threat to its future.

Whilst there is still insufficient information available on which to form any firm judgment as to the long-term prospects of these discoveries, it is clear that even if the most optimistic forecasts are fulfilled, natural gas is likely to provide no more than five to six per cent of this country's energy requirements over the next decade.

To us in the coalmining industry these recent developments mean, of course, that we can no longer rely on the claim that coal is this country's only indigenous fuel; we must accept this new source of energy and power as a welcome addition to this country's natural resources and provided it is seen within the total energy requirements of this country, not as a replacement for coal, but as a substitute for imported fuel, indigenous natural gas holds no serious consequences for the coalmining industry.

Having talked of our frustrations and disappointments we have to face the fact that we have a continuing responsibility to the many thousands of workpeople and their families who will depend on the coalmining industry for their livelihood for many years to come.

Our first task is to arrest the drift of manpower from this industry, for unless we do this all our pleas for the maintenance of a reasonable share of the total energy market for coal, will be of no purpose. Over the last six years, in spite of an increase in productivity of nearly 30 per cent, production has been running at a level below the annual level of demand. The short-fall in production during this period has enabled the industry to reduce the stocks which had accumulated in the slump years from something in the region of 35 million tons to some 19 millions tons, but, whilst there is no immediate threat of a coal shortage, drastic measures will have to be taken if we are to meet even the minimum level of demand as forecast in the National Plan.

Let us never forget the lesson of the first ten years of nationalisation when the industry failed to produce sufficient coal to meet demand; any repetition of the difficulties that faced the industry in those years would mean that once again potential customers, unable to obtain sufficient supplies of solid fuel to meet their requirements, would inevitably turn to alternative fuels with the most serious consequences on the future of the coalmining industry.

Looking beyond the immediate future, if we fail to contain the manpower situation, inevitably the industry will become a shambles. If we are to avoid this we have to build a better industry; an industry sufficiently attractive in

terms of wages and other conditions of employment, an industry that is seen to offer reasonable security of employment, the kind of industry that men will turn to of their own free will.

That there had to be changes in the industry—big changes—no one can deny. You cannot on the one hand support the programmes on which the Labour Party were returned to power at the last two General Elections—that is, the need to revitalise British industry, thereby providing for a great expansion of our national economy and a consequent higher standard of living for the great mass of the people—and then expect that the coalmining industry can stand in isolation and avoid the implications of such a policy.

I am not unmindful of the impact of change on individuals and families; I am not unmindful of the feeling of despair that arises in local communities when the major source of employment is threatened. But I would seriously question whether the answer to this problem lies in the indefinite preservation of a hopelessly uneconomic enterprise. I can conceive of nothing more soul-destroying than for a community to have to live in circumstances in which it is concerned only with survival with no hope of building-up the viability of the undertaking on which it relies for its very existence.

The morale of a community forced to sustain itself under such conditions would be completely undermined and frustration and doubt would take its inevitable toll particularly amongst the younger generation.

This is not the way to build a better coalmining industry; neither would it be compatible with our conception of the better Britain which we hope will emerge under a Labour Government.

The way to restore the morale of the industry does not lie in the negative opposition to pit closures without regard for the circumstances of individual pits or the alternative prospects available to the workpeople concerned.

I believe our efforts over the coming months must be directed towards ensuring that the reorganisation of the industry is carried through as a phased operation. We are entitled to assume that the repeated assurances given by Ministers to this effect are intended as a reaffirmation of the decision of the Labour Government some 15 years ago, viz., that in reorganising the coalmining industry full account would be taken of employment and social considerations. For my part, I hope we shall insist that this policy prevails over the coming months.

If the Government accept our view that a sound and efficient coalmining industry, is, as we believe, essential in the national interest, steps will have to be taken to stimulate the demand for coal. Every ton of solid fuel burned by domestic consumers, by British industry, by Government Departments, by public utilities and services in place of imported fuel, relieves the burden on the nation's balance of payments.

If only it is given a chance, the British coalmining industry with some of the most modern pits in the world, can make a very worthwhile contribution within the national economy.

But we in the coalmining industry—all sections of the industry—have the responsibility of achieving a higher level of efficiency. That productivity is

steadily increasing—even today, in spite of the impediment of manpower shortages—there can be no question; but we have to do still better.

I had hoped that the Prime Minister, who had been expected to address Conference later in the week would have given us some positive re-assurance as to the future role of the coalmining industry within the national economy.

May I now turn to safety and health. It is the sad fact that despite all that has been done to bring about a greater awareness of the dangers of neglecting the principles of good mining practice, we have been unable, in the field of safety, to match the progress made in production methods and technological and scientific development.

Far too many accidents are still occurring simply because of a failure on the part of individuals to exercise ordinary care.

As I have said before, pronouncements and directives from national level will not of themselves create safer working conditions in the pits. We have the responsibility at national level, of forging the weapons—legislation and Regulations, improved training procedures and facilities—but you at colliery level have the responsibility of ensuring that full advantage is taken of these weapons in the constant war that must be waged against apathy and negligence.

I re-emphasise the plea I have made so often before; the question of safety must be kept under constant review. You, each one of you, have the continuing responsibility for ensuring that workmen and other representatives at colliery level, fully utilise the machinery that has been provided in their interests. I hope that you will take advantage of every opportunity to bring home to every member, his individual responsibility for ensuring, not only his own safety but the safety of his colleagues working with him.

But an understanding and appreciation of the need for care and caution on the part of our members is not enough. All levels of management throughout the industry have a special duty and responsibility to ensure safe and the best possible working conditions so that workmen under their control are not subjected to danger. I have talked earlier of the need to build a better industry; a safer industry is an essential pre-requisite of a better industry and I would express the hope that management and workmen will co-operate to the full in seeking to achieve this end.

Finally, let me say a word about the relationship between the trade union movement and the Labour Government. Thanks to the efforts of trade unionists amongst others, we now have a Labour Government with a real working majority and a full five-year term ahead of it. But we must not ask too much of it too quickly; after all, Rome was not built in a day; and neither, let me remind you, has Utopia yet emerged in the Soviet Union after nearly half a century of dictatorship. We must not assume that, governing in the interests of the whole country, the Government's decisions will always please us. We must not forget that fundamental loyalty to the Labour Party is needed as much now as ever it was.

From the comments of some people, including some trade unionists, you would think that the prices and incomes policy had been devised by the Government out of ignorance and with the express purpose of putting the

trade unions in the dock. These self-appointed critics claim to be former friends of the Labour Party, now disillusioned by what they call its anti-working class policies.

Of course, we all have the right to reserve our opinion from time to time on what the Government does. This is part of our democratic system—which, incidentally, allows the enemies of democracy the freedom which they would deny to others. We may occasionally wonder whether the Government's prices and incomes policy is always as fair in practice as it ought to be; we may question the details of the legislation needed to toughen it up, but here it is worth remembering that we have known of the Government's intention to introduce such legislation since last September when the matter was fully debated at the Annual Trades Union Congress; I myself, would like to see more positive action in relation to prices, but this, I realise, is an additional reason for "toughening-up legislation"; but all this is quite a different matter from attacking the policy in principle, deliberately misrepresenting it and using it as a stick with which to beat the Government. For this there is no excuse.

The plain fact is that without an effective policy for prices and incomes the National Plan will fail and without the National Plan we shall remain in a perpetual economic crisis always unable to spend as much as we would choose on improving welfare. The only alternative is to return again to the formula of the long, weary years of Tory Government when balance of payments crises, "stop-go" economic policies and recurring bouts of unemployment was the order of the day. No Government, anywhere in the world—and I include the communist countries—has found a way of maintaining economic growth without relating increases in incomes to increases in productivity. This is all that our Government is asking. There is no wage freeze: I do not believe there could be one.

The purpose of Government policy is to safeguard the real value of wages; the object is planned growth of incomes—incomes growing as output grows. Is it all that unreasonable to support the Government in what is after all in the interest of every trade unionist anxious to maintain full employment?

At the time of the Declaration of Intent 18 months ago, the Minister of Economic Affairs made it clear that the policy was one for the longer-term. There could be no instant and complete success. Since then I am sure that the policy has done much, if not enough for some of us, to prevent price increases and to bring some order into the jungle of wage settlements.

But I confess that I am worried, not by any steps the Government is proposing but by the attitude of some trade unionists. Let me say quite frankly that unless the policy is well supported in the coming months I cannot see any alternative open to the Chancellor of the Exchequer but deflation. This would be a tragedy. It would put an end, for the time being at least, to many of our hopes. But if the Government was forced into this, it could turn round and say "We told you so" to those who ignore its policy now. And do not have any illusions. Amongst those who would then scream the loudest, there would be many who had gone out of their way to sabotage the policy and force the Government's hand.

The Labour Government is in office. We helped to put it there. I want it to stay; I am sure you do. In the coming year, let us support it all that we can. Speeches and declarations are not enough. Our Government has the right to expect practical help and loyalty from its longstanding friends in the trade union movement.