

## PRESIDENTIAL ADDRESS

MR. S. BULLOUGH (Vice-President): Fellow delegates, it is my privilege and pleasure to invite the National President to deliver his Annual Address.

SIR SIDNEY FORD, M.B.E. (President):

Once again we meet in Annual Conference under a heavy cloud. Over the past decade or so, despite a consistent campaign pursued by the Union, to force successive Governments to adopt a national fuel policy based on the maximum use of indigenous fuel, we have seen the annual consumption of coal in this country fall from 217·6 million tons in 1956 to 163·6 million tons in 1967; we have seen the industry's manpower fall from approximately 700,000 in 1956 to little more than 350,000 at the present time; of the 850 N.C.B. collieries in production 12 years ago, only some 375 remain today. It is not surprising in the circumstances, that most of us concerned with the day-to-day events of the industry find it difficult, if not impossible, to view the industry's problems and difficulties as dispassionately and objectively as

we should, and must, if we are to play our full part in guiding the industry through the next few, not less difficult, years.

Since we last met in Annual Conference, the Government has published its White Paper on Fuel Policy, and although the Paper has since been withdrawn, it is clear that the conclusions reached as a consequence of the Minister's review, will remain the basis of Government fuel policy for some time to come.

Clearly, the Government see the long-term pattern of energy consumption in this country as requiring a continuing contraction of the coal industry, a slower rate of expansion for oil, an increasing use of nuclear power and a further growth in natural gas. Their view in respect of the future of coal can be summed up in the words of the White Paper as follows: ". . . that, on any tenable view of the longer-term pattern of energy supplies and costs, the demand for coal will continue to decline. This is not the result of Government policy: it reflects a continuing trend in consumer preference."

In reaching his conclusions, after detailed investigation and study of the estimated fuel requirements of British industry and the domestic market, the Minister of Power would have taken into account the likely price levels of fuel both at home and abroad and the effect of fuel costs and prices on manufactured goods which have to be sold in a tough and uncompromising international market.

Bearing in mind the view expressed in the White Paper that "the greater the Board's success in reducing costs, the higher coal demand is likely to be in the mid-1970s," the only interpretation that can be placed on the Government's acceptance of the inevitability of the continued contraction in coal consumption, is that they have little or no faith in the ability of the coalmining industry to achieve price competitiveness. This must be regarded as a complete and outright rejection of the claim of the industry that given reasonable time and the opportunity to complete the reorganisation programme, coal will be able to compete with alternative fuels in many sectors of the energy market.

Indeed, whether the Government intend it or not, the single message of the White Paper to both potential recruits for the industry as well as fuel consumers—many of whom could be potential customers for coal—is that coal cannot be expected to live in competition with other fuels, and consequently, if not on its way out, must settle for a comparatively minor role in satisfying this nation's energy requirements in the future.

My criticism of the Government is not that it has deliberately cut-back the market for coal; not that it has deliberately "run-down" the coalmining industry or even set targets for the future which unfairly restrict the ability of the industry to maintain its productive capacity, for such a charge could not be sustained, but that it has failed to appreciate the great potential of a strong and efficient coalmining industry and the contribution it could make within the national economy, if only it were given a fair chance.

Although the Government insists that coal remains a great natural source of wealth and one which the national interest requires should be exploited to its full economic potential and the Prime Minister sees coal as a major source of fuel and our major indigenous resource for as far ahead as we can see, we still await some positive demonstration of their faith in coal and for

some evidence that the Government sees an efficient and not smaller coal-mining industry than we have today, as a necessary and essential part of the nation's industrial economy.

I know that the Minister of Power has denied that the forecast of the future level of demand for coal is based on market trends; but, whilst I concede that other considerations will have influenced the estimates, I am satisfied that the circumstance which would have weighed most heavily with those undertaking the review, would have been the pattern of coal consumption over the last decade—unfortunately showing an ever-falling demand for coal in most sectors of the energy market—and the build-up of abnormally high stocks of coal.

For my part, I reject the Government's conclusions on the future role of coal within the national economy, convinced as I am that the forecast of coal's share of the energy market of the future will be shown to have been seriously underestimated.

I would seriously question the validity of any forecast of the coalmining industry's prospects which ignores the serious restrictions and inhibitions experienced by the industry as a consequence of it being technically ill-equipped on transfer from private enterprise to national control in 1947, and, because of this, the effect of not having adequate resources to meet the demands made on it in the immediate post-war years, with the consequent loss of traditional coal markets to oil.

As I said 12 months ago—and the passing of time has not changed this—we are dismayed, indeed deeply concerned at the apparent lack of understanding on the part of the Government of the importance of coal in the long-term planning of our industrial economy. Quite apart from our obvious vested interest in coal, we are disturbed that the Government should be contemplating a continuing run-down of the coalmining industry which will mean that with the expected expansion of the national economy and a consequent increase in the overall demand for energy in this country, British industry and the nation's public utilities and services will become increasingly dependent upon imported fuels, with the inevitable increased burden on the nation's balance of payments.

But, it would be a grave mistake on our part were we to assume that any differences and conflicting views there may be as to the most appropriate level of coal consumption in the future, exist only between the Government and ourselves, for let there be no misunderstanding about this; the Government's attitude towards coal is basically a fair reflection of public opinion. A very substantial section of the public regard the situation in the coalmining industry as a natural and inevitable development in the economic and industrial life of the country; as a natural consequence of a changing pattern of energy consumption which to them spells progress in the field of fuel technology and utilisation.

Our immediate task in this matter of the future role of the coalmining industry within the national economy is to bring home, not only to the Government but to the British people, the serious consequences for the nation of any fuel policy which fails to take account of the great potential of a strong and efficient indigenous coalmining industry.

I want to make it clear that we are not at issue with the Government as to the need to take full advantage of the recent discoveries of natural gas, and, as we see it, the rather more long-term possibilities of nuclear energy; indeed, it must be clear from the motion which the Union sponsored at the 1967 Labour Party Annual Conference, that we recognise that natural gas and nuclear power are likely to play an increasing role in satisfying the energy requirements of this country. But, the national interest is not necessarily best served by permitting the mass destruction of one national asset—an asset of proved long-term advantages—simply in order to accommodate something new, but so far, practically untried. Because of this, we have advised, and will continue to urge, caution in this connection, for as I said last year, it would be a grave mistake to base any judgment as to the future level of demand for coal on what are obviously confused and conflicting claims as to the merits of nuclear power as an alternative fuel.

This nation cannot afford to lightly dismiss the fact that many of the claims made in respect of nuclear energy in the 50's and early 60's, have since been shown to have been far too optimistic. In spite of the optimism in official circles about the A.G.R. reactor, it will remain an unproven system until the first reactor has operated for some time. Even if its technical performance is satisfactory, there is room for considerable doubt about whether it will really be cheaper than coal. The only certainty is that if the whole A.G.R. programme is proceeded with, it will cost the nation more than £300 million extra in capital costs. Furthermore, it would be unwise to rely too heavily on nuclear power until the fast-breeder reactor has been established, which cannot be in less than 10 years. It has to be acknowledged that the A.G.R. system has aroused no worthwhile foreign sales interest and it would seem wise therefore, to restrict the experiment to one or two stations. Certainly, there is no evidence to justify an experiment on a larger scale, particularly when it would clearly be at the expense of coal.

What has to be understood in this connection is that a policy involving contraction of the productive capacity of the coalmining industry must inevitably lead to the abandonment of coal reserves, and is forcing changes both in respect of the pattern of employment and manpower availability as well as the social habits and customs amongst mining communities. Because of the nature of coalmining, decisions leading to pit closures which have to be taken in furtherance of the policy of contraction, will generally mean the abandonment of valuable coal reserves for ever, or alternatively, inflict on future generations the burden of prohibitive investment if they wish to reclaim these valuable indigenous assets which some people of this age, would so wantonly destroy. Consequently, any premature switch to nuclear energy, at the expense of coal could indeed have disastrous consequences, for if, having committed the nation to a vast nuclear energy programme it should fail to fulfil the Government's expectations and the country's energy requirements could not be satisfied, the coalmining industry, depleted and demoralised—and in all probability starved of skilled manpower—as a consequence of the preference shown for nuclear energy, could not—with all the goodwill in the world—suddenly restore its productive capacity in order to make good any shortfall in energy production.

I spoke earlier of the understandably intense feeling engendered by the events of recent years and the difficulties with which we have had to contend, but when the dust of contention and argument has settled, the facts, in their stark reality remain, and if the industry, large or comparatively small, is to survive, these facts will have to be faced. And here, let me make the point that no amount of vilification of the Government will change them.

The problems that face us stem from a consistent and persistent fall in the demand for coal over the past decade. In spite of all that has been done by the Government to distort the energy market in favour of coal—and here let me make the point that the Labour Government, since 1964, has given more practical assistance to the coalmining industry than any other Government—in circumstances of consumer choice, the pattern of energy consumption has been changing to the extent that domestic as well as industrial consumers have been turning away from coal to use alternative fuels.

As I have said before, I am convinced that the forecast of coal's share of the energy market of the future will be shown, in the course of time, to have been shamefully underestimated. I reject the widely-held, but erroneous view, that coal as a fuel is outmoded—is obsolescent—believing that used in modern appliances, coal can be a fully competitive source of heat and energy.

Those advising the Government clearly attach particular significance to the fact that the changing pattern of energy consumption, with its detrimental effect on coal production, has been a common experience throughout Western Europe; much the same could have been said of the position in the U.S.A. when only a year or so ago the coal industry was in a shockingly depressed state. But 1968 has seen an unprecedented upsurge in activity in the American coal industry; this year has seen a record number of new large mines under development or planned, and long-term contracts for the supply of coal, many with power plants and large industrial consumers, have led to the confident forecast of an era of unparalleled growth for the coalmining industry of U.S.A. for the next two or three decades, that will far exceed all past records.

But it is acknowledged that this quite sudden expansion follows on rapid progress in the efficiency of coal production, arising from a general and mutual acceptance of the need to introduce new ideas, improve equipment and technology to further increase productivity, reduce costs of production and thereby remain competitive with other fuels.

I made the point at last year's Annual Conference that the coalmining industry that will be all out to retain and regain a not insignificant part of the energy market in the next few years, will be a much more formidable proposition than was the case in the first decade of nationalisation. Recent events in the field of marketing, such as the industry's success in obtaining a long-term contract for the Alcan aluminium smelter project, as well as other long-term contracts for the supply of coal, together with the recent upsurge in productivity, may well have done more than any other single factor to undermine and make nonsense of the reasoning of those who have been sceptical about the ability of coal to compete with other fuels in the long term.

Another aspect of the industry's activities which in my view will make a

significant contribution in coal utilisation in the future, is the development of district heating.

The main object of the new venture which has been launched by the Board through Associated Heat Services Ltd. is to establish in this country the concept of district heating—that is, heating whole new developments, even whole new towns, from one boiler-house. The concept is not new; on the Continent, in the U.S.S.R. and on the American continent, it is commonplace; but in this country, with its prodigal use of cheap fuel over the past century or so, it has not really been considered seriously. Now, however, with the national requirement to use our resources in the most efficient way and to reduce costs all round, the need is not only there, but the idea is catching on; and the potential is enormous.

More and more local authorities are beginning to appreciate that this is the cheapest way to heat their dwellings—and on coal, burnt smokelessly and efficiently. This development not only offers good value to the householder, but also solves the local authority's all too familiar problem of condensation, damp and consequent expensive damage to the fabric.

Another important feature of this new venture is that the Board undertake to supply the fuel to, and to maintain and even replace, existing boiler installations in public buildings, hospitals, schools, blocks of flats, factories and the like at a much lower cost than would otherwise be possible for the local authority, the private developer or the factory owner.

The importance of this kind of development for the coalmining industry is that the contracts in question are long-term ones and secure a firm market for coal. This new enterprise offers a developing market for coal and I would take this opportunity to urge each and every one of you to spread these new ideas—new, at any rate to this country—through your local councils and any other contacts that you may have.

For my own part, I reject many of the more gloomy predictions as to what the future holds for coal. I would remind you that forecasts made in the early '50s about what we could expect in the '60s were, as we all now know, completely worthless and I do not accept that the prophets of today are better equipped to forecast the future than their predecessors.

But, I am satisfied that if the coalmining industry is to survive as a major industry it will have to demonstrate, and convince potential customers of its ability to compete with alternative fuels, for we have long-since reached the point where people are swayed in their choice of fuel by cost and convenience, not sentiment.

I take the view that we in the coalmining industry have to take up the challenge and concentrate on ensuring that the industry is equipped to match up to the requirements of the 70's and thereafter; the future of the coalmining industry will depend very largely on our willingness to accept change.

This means inevitably a continuation of the policy of closing grossly uneconomic collieries and concentrating production on a smaller number of highly efficient units. This is not some new policy, recently evolved by the Government, but is a policy of long-standing, to which both the Board and we have been committed, but whereas it had been seen as a programme

necessarily to be phased to take account of social and employment considerations, the consequences have been accentuated by the contraction of the industry to take account of the falling demand for coal.

I do not underestimate the painful consequences of this policy; I do not deny that reorganisation has imposed a heavy burden on many of our members and their families, but the answer to the problem that faces us, does not, in my view, lie in seeking the indefinite preservation of grossly uneconomic collieries; the burden of sustaining pits in production which in the aggregate have lost some millions of pounds annually, and in respect of which all the technical advice holds out no hope of improvement, can only in the ultimate endanger the future of other collieries which could otherwise expect to continue in production as reasonably viable units.

The only logical alternative to this is a general subsidy for the industry from the National Exchequer; but as the Prime Minister reminded us recently, this would be quite unacceptable to the nation for it would impose an intolerable additional burden on the taxpayer at a time when he is facing heavy demands on account of the serious state of the national economy and certainly a subsidy could not be justified in the light of the assistance which is already being given to the coalmining industry in the form of costly preferences which are designed to increase the demand for coal beyond what in present circumstances, would be regarded as commercially practicable.

I made the point last year that the industry could not face the consequences of a more rapid rate of pit closures than we had experienced in the recent past. Since last year's Annual Conference, a further 62 collieries have closed; true, more than half this number were collieries scheduled some three years ago as Category "C" pits which were known to be "short-life" collieries and which it was widely predicted would be closed by last autumn, whilst another 13 were Category "B" collieries "with a doubtful future," but what has to be understood is that the effect on the industry of closing say, 50 collieries within an industry of less than 400 productive units, presents much more serious problems and social consequences than was the case when we were closing 50 collieries in an industry twice the size; the smaller the industry, the less manoeuvrability there is for the redeployment of manpower.

I have not been impressed, quite frankly, by the charges and counter-charges of Government and Board spokesmen as to who takes the decision to close a colliery; but, I would remind the Board that the responsibility of conducting the operations in this industry is theirs, and if they are to do this successfully—and here, I have in mind the kind of success that is so essential to the well-being of our membership—they have too, a responsibility for maintaining the highest possible standard of morale amongst their employees.

I want to take this opportunity to warn both the Government and the Board that if they persist in closing collieries at the rate as was our experience in the early months of this year, such a programme could have disastrous consequences on the image and the morale of the industry and the most harmful repercussions on the industry's future.

As delegates, you will know that I have continually stressed the need for reorganisation, recognising all its implications; I believe this to be absolutely essential if the coalmining industry of the latter part of this century is to

offer the opportunity of a fair and reasonable livelihood for scores of thousands of workpeople, but the burden of reorganisation cannot be carried by the mineworkers alone.

The burden of reorganisation has already been heavy—both financial and in terms of social consequences. If it is in the national interest that we should make the fullest possible use of our limited natural resources—and I believe it is—it would be a tragedy if all the advantages of reorganisation and reconstruction—now so near to achievement—were to be sacrificed through lack of understanding and foresight on the part of the Government and the National Coal Board.

I hope that later this week, the newly appointed Minister of Power will be addressing this Conference. In my prepared speech I referred to a statement made by his predecessor some three years ago when he said: “the coalmining 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 this view will be shared by our colleague, Roy Mason; certainly it would find wide support in this Conference; but it is the unfortunate fact that despite all the advances made by the industry, including a record improvement in productivity of some 66 per cent over the last 10 years, and a steady stream of exports which serve to ease the burden of the nation's balance of payments, this industry is still drifting and its manpower becoming increasingly disillusioned.

The current image of the coalmining industry is one of an industry drifting towards extinction. Personally, I do not accept this as inevitable, but unfortunately the White Paper did nothing to encourage hope for the future. It would be wrong to dismiss all that the Government has done as being of no consequence—quite wrong and grossly unfair—but there is in the present circumstances of the industry an overriding and urgent need for far more dynamic action by the Government, if communities that can no longer depend on mining for their livelihood are to be assured of reasonable prospects of employment in the future; there is too, an urgent need for some encouraging sign from the Government that they share our faith, that given a reasonable chance to complete the reconstruction of the industry, coal will be able to compete with alternative fuels and will consequently, warrant greater consideration than it appears to command in official circles today.

I want now to conclude with some brief observations on the general political situation.

The last year has clearly been difficult for the Labour Government. The Government found it necessary to take harsh decisions which it had hoped to avoid. In particular, devaluation in November, far from being a soft option, set in train a number of inescapable further measures, none of them comfortable. For example, a very substantial reduction in public expenditure became imperative and this involved painful decisions which inevitably were uncongenial to many Labour supporters.

As the by-elections and as public opinion polls have shown, for the moment the Government's standing in the country has slipped. Every Government, whatever its complexion, goes through a period of unpopularity at mid-term.



The decisions following devaluation have ensured that the pendulum showed a swing even farther than usual.

On the other hand, the Government is now set upon a new course much more hopeful in the long run than that which it was obliged to abandon. The next 12 months will be difficult. There will be little joy for any of us. However, if the Government is courageous and determined we shall win through together.

Let us not forget all that the Government has done, despite the immense economic problems which it has been obliged to face; in 1967, for example, over 400,000 new homes were built in Britain for the first time ever. Remember also the other advances in housing—provision for the mortgage option scheme, leasehold reform, rate rebates. In all this, the Government has honoured its pledge to give housing the first priority.

Let us not overlook either the immense improvements in social security benefits. Much has been done for the old age pensioners (although there is always room for more), for the widows, for those who are disabled and those who are on National Assistance or Supplementary Benefits. Take the problem of the poorest families. Here, improved Family Allowances (although I know they are controversial with some people) have been designed to help those most in need and particularly children.

As I say, this is the mid-term. It is over two years since the last election and less than three before the next. We may have reservations about some things the Government has done and believe that errors have been made, but we should begin to think of how we can help Labour to win again.

All of you who have supported the Labour Party over the years should be wary of engaging in careless criticism. Do not lend yourself to the casual and damaging remarks which we hear from the traditional enemies of the Labour Party. Speak out when you can and remind others of the Government's achievements. Let us talk a little more of our successes and leave our opponents to quibble about our shortcomings. We have nothing to be ashamed of and a great deal of which we can be proud.

Do not forget what the alternative is. If Labour does not win next time we shall embark upon a period during the 1970's as dismal and unrewarding as the 1950's were under a Tory Government. They were the stagnant years when nothing was done to remedy the fundamental weaknesses in our economy and little for those people most in need.

In the last resort, the Labour Party cares about people. Its heart is in the right place. It has compassion and a sense of service. Whatever our present problems, I would much prefer to trust a Labour Government than any Tory administration. If you take the same view, then play your part in helping Labour to pull through the dark tunnel of present discontents to the bright uplands of tomorrow.