

PRESIDENTIAL ADDRESS

MR. M. McGAHEY (Vice-President): Fellow delegates, ladies and gentlemen, it gives me great pleasure to call upon the President of the Union to present his Presidential speech to this our 36th Annual Conference. Joe Gormley.

CHAIRMAN: I feel sorry this year for these lads who are taking the notes because I wrote this speech a fortnight ago, and there has been so much happening since then I am not sure how it will come out.

Last year, I started my Presidential Address by reminding you of the continual difficulties of writing my speech because of the swiftness with which things were changing — both on the Industrial and Political fronts. I reminded the Conference that the Labour Movement had lost a political battle which could affect the lives of many of the people we represent. I said at that time that I must ask why the people of Britain voted to change the Government at a time when we had been successful in bringing the inflation rate down from 20-odd per cent, with which the Tories left us, to approximately 10 per cent.

Government Policy

As I go round the country talking to people, I do not find anyone who is willing to admit that they voted for a Conservative Government, but the fact is that the Tories won with an overwhelming majority of 43 seats over all other Parties. Now, after approximately 15 months of that Government having passed, more and more people are realising the terrible mistake they made. In fact, at a recent demonstration at the Nottingham Miners' Gala, all the shouts we could hear from people around were "How soon can we get Maggie out?". In fact, I thought the dogs were barking it!

But the fact remains that we have the most reactionary Tory Government which the Country has experienced since the war years. The

monetarist policies of the Government and the extraordinarily high rate of interest are causing problems which are forcing firms to declare redundancies, to reduce investments in new plants and machinery, with the resultant drop in export orders. The policies are deepening the social divisions which exist in this Country and we have the unacceptable situation of unemployment levels which are estimated to reach the 2-million mark this year. As a result of this, boys and girls leaving school are having to go straight on to the dole because the Government has cut down on training and preparation schemes, and although we are short of skilled men in many, many areas, the cutbacks in public expenditure mean the inevitable closure of Government skilled training centres. The Government have shown that they have no ideas on how to deal adequately with the unemployment that will be caused in the '80s, by Government policy, and the technical revolution we are facing. I say that the Government's failure to comprehend the situation is stoking up an explosive situation. Idle hands combined with active brains must eventually lead to an uncontrollable confrontation. A change in the attitude of this Government is a must.

The cuts in Government expenditure, which in many ways are cutting to pieces the Social Security Services we know, are all part of the policy of a reactionary government which has never agreed to the provision of a Social Security system in which the rich could help the weak. We should be able to guarantee the best of service from our hospitals to those least able to look after themselves. The Prime Minister has said that she has no intention of taking any steps to prevent these tragedies from happening. She has declined to accept any responsibility for the level of unemployment. Instead, she keeps on indicating that the whole of the responsibility lies on what she terms as exorbitant wage claims by the Trade Unions. She forgets that the job of a Trade Union leader is to fight for an ever-continuing better standard of living for the workers he represents. He would be doing less than his job if he did not insist that the Government policies must in no way cause a drop in the living standards of those members and I can indicate that the N.U.M. have no intention of allowing that to happen. We are in this way reacting to the Government philosophy of non-intervention, so no blame can be attached to us for doing our job, perhaps better than the Minister!

Energy Policy

After all, I believe we are an industry which was able to show last year how an industry is willing to meet its responsibilities.

I also said last year that it was our duty as a Union to accept our responsibilities in the "Plan for Coal". The "Plan for Coal" was established under the last Labour Government as a result of Tripartite discussions, and this "Plan for Coal" meant a growth in the Industry, to continue to expand its output of coal in order to guarantee customers supplies of coal for their requirements and achieve certain output targets which would guarantee a rise in production per year from now to the end of the century. We fought in that Plan for a better Industry and to guarantee

the security of jobs as far as it is humanly possible. The Plan also envisaged a continuous investment programme in new pits and long-term investment in all long-life collieries to the tune of £600 million a year. This figure is now £800 million. The Coal Board have indicated that they intend to carry on with that line of investment and this cost is an ever-increasing burden on the industry as a result of the high interest charges which have to be paid on money borrowed for this purpose. Even though repayment may be deferred it must eventually be paid. This investment has been necessary because of the lack of investment in the '60s and, therefore, the Industry at the moment is meeting obligations that really should have been part of the scene years earlier. The continuing drain of interest charges is making it more and more difficult to show a surplus on the Balance Sheet, even with Government grants. For example, last year output went up by 4 million tons; productivity was up by 2 per cent; sales were up by 10 million tons; and fatal accidents, I am very pleased to say, were halved, this, in my opinion, is a record which any industry would be proud to put before the public, but yet, after all this, we will show no surplus on the Balance Sheet, but far more likely a hefty operating loss.

It has to be recorded also that this Industry of ours spends for its equipment, etc., about £1,200 million per annum and less than 2 per cent of that amount is on equipment which is imported. This also is an example to British industry which, if followed through, would relieve a great deal of unemployment and bankruptcies which are occurring at the moment.

Imports

Unfortunately, in this message of great cheer, there is one black spot looming on the horizon and that relates to imports. Because it is a fact at the moment that due to the decline in the economies of the world in general, it has meant that there is a fall in the need for energy by between 6 and 7 per cent and so, at the moment, there is a surplus of coal available in the world for export markets from countries which have decided to increase their output of coal. This matter was discussed at considerable length at the recent Venice conference. This is a fact which is happening in every coal-producing country in the world who have easier conditions than us in which to produce coal. This, in my opinion, is only a short-term position, but if not dealt with sensibly, could lead to a serious condition. For example, we have the problem in Britain of the turn-round in the wellbeing of the Steel Industry which I spoke about last year. An appalling thing which we learnt during the year was that the Unions in the Steel Industry had agreed that the Steel Board should meet their needs by importing coking coal which is available in countries like America, Australia, Poland, etc., without any consultation at all with this organisation or with the National Coal Board. They did exactly the same when they embarked on an abortive programme of the building of coking coal facilities, although they knew that we had sufficient coke-producing capacity in Britain already existing. The importation of coking coal created a problem in certain areas, particularly in South Wales and Kent, although we have been able, through our Marketing Department, to blend

a lot of the coking coal produced in other areas and sell it in the Steam Coal Market. This also affects the finances of the National Coal Board because of the lower price return of this type of coal.

The coal in South Wales, we are informed, is not easily absorbed into this market, but as a Union we must fight, as we said on numerous occasions, to ensure that the coking coal we produce will be sold in the markets of the world, and particularly in Europe, although this may need a special subsidy from the Government or from the Coal Industry itself, to meet the competition from Government-subsidised coking coal within the European scene, and imports from Third World countries.

The question of the Steel Industry coking plants inevitably was bound to affect our own coking industry and this is becoming more and more apparent when the projected production in steel by the Steel Industry drops from 25 million tons to a possible 15 million tons per annum. This is further aggravated by the decision to import coking coal.

I get the feeling that these people who are now discussing the possibility of importing the coal which is now available for export throughout the world, have not yet learnt the lessons of the 1960s and early '70s when the world went mad on the possibility of a never-ending supply of cheap oil being available from countries like the Middle East, not realising in those years the potential economic and political difficulties they could face when those supplies, over which they have no control whatsoever, started becoming harder to obtain, becoming more costly and more subject to political pressures.

This could happen again when the process of obtaining gas and oil from coal becomes a commercial proposition; when cars and planes are powered by oil from coal, no export of coal will be available.

I am afraid the users of energy in Britain must be reminded of those difficulties, because it is ludicrous for a country like Britain to have to be threatened with pit closures because of the whims and fancies of the customers in the short-term. When a pit is closed, it is closed. Our children in the future would never forgive us if we allowed supplies of good coking coal to be sterilised because of short-term feelings, or short-term profitable gain. The Government should see the sense of our arguments and put on the importing controls which were available before we had the slight problem with the Ted Heath Government, although I must admit that our own political colleagues, and even the last Minister of Energy, did not see fit to introduce these import controls. When we approached them they said that if they had won the Election, they would have reintroduced them. My only comment was they worried a hell of a long time before they thought of reintroducing them and left it too late.

It is up to us in discussions as a Union with the National Coal Board and the Government to try to rectify this issue as soon as possible, because, as I said before, we, as the N.U.M., will ask our members to keep increasing production, particularly the coal necessary for the C.E.G.B. who are our best customer, and anthracite, which in Britain is the world's best supply.

Here I must digress a little by speaking to our Welsh colleagues of our need to meet this high-quality anthracite coal demand for which I am informed there is no difficulty in selling, because of its high quality as against the imported muck which is having to be supplied to customers and which is continually the subject of complaints from customers.

So I say to the N.C.B. and the Government that pit closures are no easy way out of these short-term problems, but as the "Plan for Coal" says short-term difficulties should be financed in order to meet the long-term needs. It is no solution and it is for the Government to have another re-think of the issues involved in the new Coal Industry Bill. This Bill contains within it the phrase that they fully support the "Plan for Coal" as negotiated in 1974, but, unfortunately, unlike the previous Government, they are not willing to put quite as much money forward as the previous Government to fulfil the objectives of that Plan. Over the years, the previous Government made grants to the Board to cover problems of operation and interest, etc., so that we have been able to hold the Balance Sheet position. However, they are now saying that similar help will be phased out within three to four years and the Coal Board will have to become self-financing at the end of this period. Although the Coal Board cannot say this, I am saying, on behalf of this Union, that it is physically impossible. For example, it would mean a whole change round in the Balance Sheet by impossible amounts to even break even. It has been estimated that we would have to change round the Balance Sheet from a £79 million operating loss in 1978/79 to an operating profit of £230 million in 1983/84 in order to show a paltry £25 million profit on the Balance Sheet. This will have to take place in three to four years and as I have said on other occasions, how do we keep the morale of our members up, which is necessary if we are going to get this increase in production, when, despite their continued efforts, they could see no appreciable change in the Balance Sheet?

Although I would love to be in an industry which, by its very own efforts, is producing enough capital to pay for its own investment and, therefore, relieve itself of interest on the Balance Sheet, it is physically impossible to do this within the time structure being laid down on us by this very Government who are saying they support the "Plan for Coal". By their very actions they cannot be giving support to the Plan when putting financial restrictions on the Board, which make it impossible to meet the targets.

Therefore, one of the first messages we should realise is that the Coal Industry cannot be isolated from what is surrounding us with regard to other industries. The stagnation of the whole world's economies; the stagnation of the British economy; the rise of inflation and unemployment will inevitably injure the Coal Industry unless there is a complete change around by this Government. We need the utmost pressure throughout the whole of the Trade Union and Labour Movement to bring to the attention of the people the shortfalls and dangers that exist in the present Government's policies — not only for the miners and their wives and families and the rest of the British people, but the Country as a whole —

not only now, but for future years to come.

Many comments are being made about the need to change the Government, but with such a majority this will be very difficult. So, therefore, there is an urgent need in my opinion, for the whole Trade Union and Labour Movement to get together urgently in the time available to us to get a fully agreed Election Manifesto, not containing pipe dreams but containing good, possible socialist philosophy which can be accepted by Britain in a General Election. More important than that, they should be fully acceptable to all members of the Trade Unions and an inclination for the members to go along with the problems that might have to be faced in carrying out those policies when our Party is back in power. We cannot keep having repetitions of the '69s and '79s when we handed back Government to the Tories. We would hope for a continuation of a Government of a people by the people and for the people. As I have said on numerous occasions, how the Tories got elected I will never understand. But continual internal bickering about policies and leadership questions could have the Labour Party in the wilderness for the next generation.

I say that we owe it our predecessors and our successors to unite our Party behind agreed policies and Leader in order to prove to the Electorate, by being a good opposition in Parliament, that they have made a terrible mistake, and be determined to change things at the next Election whenever that is. But in order to do this, we have a great educational programme to get established in order to acquaint our members of the facts of the possibilities and problems of Labour Governments and to educate them that there is a difference in the political Parties. If the public do not know the problems by now, they must be blind to what is happening.

Safety and Welfare

In all this talk about politics and the production in our Industry, we must never forget the need for continued vigilance on safety. We must insist that although the figures for fatalities have been halved, we can never be complacent because every serious accident is a potential fatality and we must never rest until the whole of our Industry is as injury-free as is humanly possible, always taking into account the personal problems. Here again we need to give further education to each and every member as to his or her own responsibility. Of course, when accidents do occur, we must also, as socialists, practise what we have always preached, and be willing to enter into the possibility of making financial and social problems of the members and their families much easier to bear with the application of welfare facilities. Here again, I must refer to that wonderful fund we have created, namely the Coal Industry Benevolent Trust (C.I.B.T.).

I explained last year the purpose of the Trust, i.e. to relieve hardship to mining families affected by fatal accidents, serious injuries, pneumoconiosis, etc. During the last year, initial grants made to relieve

hardship resulting from deaths due to industrial accidents numbered 63 in 1979. Of these, 44 arose from fatalities during the year and 19 from accidents prior to 1st January, 1979. A total of £58,200 was paid to widows, £10,550 to children, and £1,450 to other dependants. Additionally renewal grants were made during the year totalling £34,900 to widows, £22,750 to children, and £150 to other dependants who continued to be eligible in accordance with the regulations.

Initial grants made during the year to relieve hardship from death due to industrial disease numbered 493. A total of £218,800 was paid to widows, £680 to children, and £15,561 to other dependants. In addition, renewal grants were made amounting to £23,250 to widows and £250 to children.

Grants to dependants of persons admitted to hospital with serious bodily injuries following accidents at work commenced in April 1979 and by the end of the year a total of £13,595 had been paid in respect of these cases.

From the funds made available by C.I.S.W.O., grants were made to mining families facing problems with mentally and physically handicapped children amounting to £7,293.

This is a record we should be proud of, as Miners and Socialists.

We are also looking at other ways of extending benefits under the Scheme by first of all increasing the present Grants to take account of inflation. We would also like to introduce a death-in-service grant and, maybe, a Christmas voucher scheme for widows and eligible children.

Of course, to keep extending the benefits of the Scheme to more and more widows and children, we need a small increase in contributions to the funds by both members and N.C.B. of perhaps 1p per week because we already have a future liability of £1,273,400. I would suggest to this Conference that maybe during the debates the delegates could give an indication of their acceptance of this so that we can make arrangements for extensions to apply from 1st January, 1981.

On behalf of all the members, I would, once again, express my sincere appreciation of the dedication shown, both by C.I.S.W.O. and N.U.M. staff, in operating the Scheme successfully.

International

And now I come to the final part of my speech which, in many ways, I believe is the most important. Many of us have been appalled over the last few weeks about computer mistakes which could have caused the obliteration of mankind, and although we can stand mistakes by computers which are dealing with such statistics as production and wages, the world cannot afford computer mistakes when dealing with defence systems of the world. We are bound to be appalled by what has recently come to light — of the defence situation in America. I have no doubt that certain mistakes which have occurred in other computerised systems in other parts of the world, may not have been given as much publicity on the matter. Trade Unionists cannot exist properly in a world

when peace is continually threatened and is at the mercy of computerised systems which inevitably lead to mistakes.

I have spoken on numerous occasions of the possibility of truly International trade unionism. I believe it is becoming more and more urgent that we cannot afford the false political divisions which are hindering trade unionists throughout the world to be able to speak to one another. It is my experience that trade unionists of the various countries of the world, irrespective of the political attitudes of the countries concerned, never talk about war. We talk about how we can better the lives of the members we represent — how we can produce guarantees on jobs — how we can make the standard of life far better for our people, all the time realising that none of this could be possible when there are possibilities of world war occurring. As an example, look at the foreign delegations who are with us at this Conference. The N.U.M. is proud of its International connections and in the present political climate we shall be taking the lead, fighting to carry the Trades Union Congress along with us to create a pressure group throughout the world which could force the politicians to realise that détente on arms limitations and practices ought to be a part of the world strategy. We cannot allow more buttons of destruction to be created, because someone, somewhere, is going to press one to see whether it works or not. If that happens, it will be too late for the majority of us.

Talks should be recognised as being natural and not special events, suiting the politics of the moment. The amount of money being poured into armaments, particularly the more sophisticated nuclear arms, could be poured into the wellbeing of the poor nations of the world where people are suffering and the children are starving to death because of the lack of food. We should be condemned if we allow this to happen and I believe that the Miners' Union would be willing to give a lead, at this Conference, to the Trades Union Congress to carry this message throughout the Trade Union Movement, whether it be I.C.F.T.U. or W.F.T.U., to convince the people of the world that peace is the only essential quality which can guarantee the future of mankind.

To this policy we should be pledged so that our children and children's children will be able to look back in pride and say, "By their determination and actions they prevented our world being destroyed by holocaust".

This is the message I hope will go from this Conference to the people of Britain and from there to the peoples of the world.