

## PRESIDENTIAL ADDRESS

THE VICE-PRESIDENT (Mr. F. Cave): Comrades, could I on behalf of Conference invite the President to address Conference.

MR A SCARGILL (President, National Union of Mineworkers):

This year, our Annual Conference takes place in the aftermath of the fourth successive defeat for Labour in a General Election, and against the background of a continuing pit closure programme – a programme which since 1985 has seen the closure of 140 pits and the loss of 146,000 jobs. Over the past seven years, around three-quarters of our industry has been butchered on the altar of Tory ideology.

We also meet in the aftermath of what we hoped would be a historic Earth Summit in Rio de Janeiro, at which all aspects of our environment, pollution control and the survival of the planet were discussed, if not resolved.

What happened – and what did not happen – in Rio matters a great deal to the British people. By the time of the next General Election, we shall have had a Conservative government in power for nearly 18 years, a Government committed to a free market philosophy which has resulted in a devastated economy and increasingly desperate society

Basic industries and small businesses alike have been destroyed; unemployment is at its highest since the terrible years of the 1930s, nine million people are living below the poverty line and racism and fascism are again rearing their ugly heads as our health care, education and the social services have been slashed and pulled apart. Our environment has been even further degraded by the Government's privatisation programme, which has sold off water, gas and electricity and now intends to rob the nation of the railways – and the coal industry.

Those in our Union, indeed all throughout the trade union movement, who staked everything on a Labour victory in April are now having to re-think their entire perspective and their strategies. This process, however, will only be productive if there is a recognition of profound mistakes – and a clear understanding that the only way to fight back against this Government is not to try and ameliorate them but to resist policies which are undemocratic and destructive .

Democracy is not a prize to be won or lost every few years at a General Election. Democracy is a basic human right which we have a responsibility to fight for. It means exercising the will of the majority, every day, every week, every month, and that means on an on-going basis.

The majority of the British people do not support the Tories. A political party which has only won 42 percent of the votes cast in a General Election cannot claim to have majority support and should not be able to govern in a real democracy

Yet again the electoral system has thwarted the will of the British people. I make no apology for pointing out yet again that had we had proportional representation we would not have had 13 years of Thatcher/Major rule. We would not have seen the destruction of our economy or the destruction of effective local government. We would not have seen the sweep of anti-trade union legislation designed to destroy our Movement and we would not have seen the destruction of three quarters of the mining industry.

### PIT CLOSURES

During these past 13 years the Tories have consistently and deliberately ignored the unanswerable case for developing our industry (based on British clean coal technology). Instead they have ruthlessly pursued a policy of pit closures and job losses and in so doing have destroyed entire mining communities – as we warned they would

The Tory Government and British Coal now aim- to reduce our industry even further by closing at least another 20 pits as a run-up to privatisation. We all know that during the next 12 months there will be intense pressure on our members and our Union to submit to further butchery, and the senseless closure of valuable pits.

We know that the proposal to privatise the mining industry is not based on logic; it makes no economic, social or political sense.

It springs from a vindictive ideology, a determination by the Tories to wipe out the advances made by workers through trade unions during the years of nationalisation. Add to that ideology a special hatred of the National Union of Mineworkers, and you have the real reasons for planning to sell off British Coal.

The Government's policy on pit closures has been designed to ensure that all the costs of its savage programme, including redundancies, is borne by the taxpayers or the workers themselves. Thus, if the industry is sold off, the taxes of the British people will have ensured that British Coal can be "given away" to private owners who will then reap the benefits of an industry which is massively profitable.

The steps being taken towards what the Tories called the ultimate privatisation" – that of the mining industry – constitute one of the greatest confidence tricks of all time!

To sell off an industry which already belongs to the British people to private enterprise, using taxpayers' and pension fund monies to assist the process, would in any sane society be regarded as theft .

### **PENSION FUND MONIES**

During the past three years, British Coal has been allowed to "take" £800 million of pension fund monies in the form of a "contribution holiday." In 1992, British Coal Pension Scheme trustees, supported by the U.D.M. trustee, David Prendergast, agreed that the Corporation could have £435 million of pension fund monies in the form of this "contribution holiday".

Within weeks of that decision, we saw an announcement from the breakaway U.D.M. that it had put forward proposals for a buy-out of the industry. British Coal, too, has buy-out proposals! BUT – is it not a breathtaking conflict of interest for representatives of the breakaway U.D.M. and British Coal to give, £435 million of pension fund monies in the form of a "contribution holiday" to the employer, in the knowledge that within a few weeks their organisations will be making bids to buy the industry?

In light of the growing concern about abuses of pension fund monies, this is surely something that should be investigated urgently by the House of Commons Select Committee on Social Security – not only investigated but stopped!

I can see little difference between someone like Robert Maxwell stealing £450 million from Mirror Group Newspapers' pension fund and British Coal taking a "contribution holiday" of £435 million. In fact, the only difference I can detect is that one employer went for an early morning swim and the other has told us to take a running jump.

The end result is the same. Money meant and designated for a pension fund has ended up in the employers' balance sheets.

The Maxwell scandal in itself should have moved the Government to introduce legislation ensuring that no employer is ever again allowed to take any monies – directly or indirectly – from a pension fund.

Pension fund monies are deferred wages (a point established by the Barber case in the European Court), and as such are the property of pensioners, widows and – in our case – miners who each week contribute part of their income to secure a decent pension in retirement.

In 1984, of course, the N.U.M. challenged the way pension funds were controlled and, in particular, how monies were invested. If the judge in the 1984 High Court case had accepted – and not rejected – the argument I presented then on behalf of the N.U.M. trustees, not only would all Mirror Group Newspapers' employees' pensions be safe, but the Mineworkers' Pension Scheme today would be £800 million better off.

In my view, pension fund monies "taken" by British Coal's "contribution holiday" will be used:

- a) to "improve" redundancy benefits as British Coal seeks to close more pits and axe more jobs. I would not be surprised if an announcement along these lines is made in the very near future!
- b) to pay the whole or part of an annual wage increase;
- c) as "bait" to tempt multi-national corporations, or a management buyout with the understanding that the prospective employer would not have to pay any contributions to the pension scheme until the year 2001.

I hope that on this vital issue the N.U.M. will vigorously pursue a case in the European Court, seeking a declaration that the millions of pension fund monies taken by British Coal from the Mineworkers' Pension Fund must be repaid by the employer to that fund. Our case is simple: these monies (deferred wages) should be used for one purpose only: to provide pensions and associated benefits to retired mineworkers and their families.

## **PRIVATISATION**

What is happening to the pension fund monies is, of course part of the privatisation plan. Our pension funds are being used to help finance privatisation.

I reject absolutely and completely the notion that privatisation of our industry is now inevitable. How can any trade unionist adopt such an attitude when our own history tells us what it would mean?

Privatisation would mean more pit closures, more jobs lost and more communities destroyed. It would mean – by definition – a reversal of everything achieved by our Union and the M.F.G.B. before it in a century of struggle .

Safety standards, wages, working conditions including shift systems and the working week – privatisation would attack them all, to say nothing of job security and trade union rights.

We all know that the number of accidents in the private mining sector is double that in the nationalised coal industry. We are aware that in the privatised coal industries of America and South Africa the death rate is five times higher than that in our own industry, where nationalisation and strong trade unionism have over the past 45 years achieved the highest standards in the world.

Participation in management buy-outs won't protect our members, pits, jobs or communities. It seldom, if ever, has. Britain's miners have attempted ' buy-outs" or cooperative ventures be,ore – with disastrous results.

In 1875 following the establishment of the West Yorkshire Cooperative Coalmining and Building Society in 1873, West Yorkshire miners together with North Staffordshire miners purchased Hayswood Colliery. The venture collapsed in 1876 and "all those who bought shares lost their money".

In 1875 the South Yorkshire and North Derbyshire Miners' Associations purchased Shirland Colliery – backed by many supporters (almost the forerunners of today's Coalfield Communities Campaign).

In 1876, the venture collapsed and the only return the Union obtained for its expenditure of £31,500 was £250!

The cooperatives failed to recognise that they were operating in a "hostile, capitalist environment" where both suppliers of goods and purchasers of coal had vested interests in seeing the ventures fail.

It was partly these experiences that led to the M.F.G.B. recognising that the real answer to privatisation was public ownership and in 1947 the objective and the dream became a reality.

Our forebears fought too hard for us to sacrifice nationalisation without a fight.

Privatisation is not inevitable.

If the Tory Government can abandon its plans for selling off the nuclear industry at the last moment, then it can do the same with coal!

The way to oppose privatisation is to fight, just as our forebears fought for everything we've achieved, including nationalisation itself.

This Government was forced to abandon the iniquitous poll tax – not because of logic, or political argument in the House of Commons. The Tories had to scrap the poll tax because it faced mass resistance by people who were prepared to defy legislation they knew was unfair and undemocratic.

We all know privatisation is wrong. How can we accept it? We should be prepared instead to mount a massive campaign – involving every section of the coalfield with the active participation of Area and Branch leaderships – to win our membership for action to stop the sell-off of our industry.

## **THE ENVIRONMENT**

Privatisation of coal, as with all Britain's resources, poses yet more dangers for our planet and the environment. The Tory Government claims it is concerned for the environment, yet, among its other crimes, it continues to protect and nurture the dangerous, totally uneconomic and unnecessary nuclear power industry.

Despite all the evidence showing still more dramatic increases in the numbers of cancers and leukemia, particularly among children near nuclear sites, this Government continues to support the nuclear industry – and keep it going with an annual subsidy of £1.3 billion: that's the equivalent of a subsidy for coal of £50 per tonne!

On safety and economic grounds, they have lost the nuclear case. They've lost it on environmental grounds as well, but are trying to insist that environmentally friendly forms of energy do not include coal!

If the Tory Government was sincerely committed to the policies adopted at the Rio Earth Summit, they would make a start by fitting gas desulphurisation units to power stations thereby eliminating acid rain. The Government should build environmentally friendly coal-fired power stations. using fluidised bed combustion together with combined heat and power programmes which could reduce emissions by at least 50 percent.

Instead, as we know, the Tories have taken their environmental hypocrisy to new heights – closing down 56 of the best low sulphur pits in the world, and then backing coal imports with a high sulphur content, using high sulphur opencast coal and imported filthy fuels like orimulsion.

Coal-fired power stations in Britain, even without the environmental measures I've referred to, contribute less than half of one percent towards the "greenhouse effect", and this could be halved if the policies I've outlined were adopted.

On the other hand, over 20 percent of the "greenhouse effect" is produced by transport! Any government which is really serious about adopting environmentally friendly policies would dramatically reduce road transport. It would develop and extend an electrified rail transport system using British clean coal technology. It would stop nuclear power, ban the importation of expensive foreign coal and stop the mad "dash for gas".

By adopting such measures, Britain could make a positive contribution towards a cleaner environment; it would demonstrate that it was prepared to give a lead and show what could be done. Britain, for example, should be arguing for the use of 25 to 50 million tonnes of cheap, clean British coal within the European Common Market. These are policies that really are environmentally sensible.

They also make economic sense. We are currently subsidising the nuclear industry to the tune of £1.3 billion per year, while coal imports are costing Britain some £600 million per year, and gas-fired power stations will cost £500 million per year more than those using coal.

If we were to scrap nuclear power, stop coal imports and stop the "dash for gas", the British taxpayer would be £2.3 billion per year better off. That sum incidentally, is the equivalent of a £100 per tonne subsidy for clean British coal.

## **INDUSTRIAL RELATIONS**

The Government's attitude towards industrial relations in our industry has been as destructive as its environmental approach. In 1986, British Coal scrapped the conciliation scheme which had operated since 1946. They did this to give assistance to the breakaway U.D.M. – an organisation which invites guest speakers such as Albert Wheeler of British Coal, and Tory Minister, Michael Heseltine to its conference.

There is a lie circulating about conciliation procedures – a lie stating that it is not possible to have a conciliation scheme on a bilateral basis between British Coal and the N.U.M. at National, Area and Local level. I want to nail that lie.

We have been able to talk to private contractors and to licensed mine owners without the involvement of the U.D.M. If private contractors and licensed mine owners can accept bilateral conciliation why can't British Coal? The reason is simple: they want to support the U.D.M. and destroy the N.U.M.

British Coal's policy of refusing wage negotiations at National level with the N.U.M., of refusing to accept a bilateral conciliation scheme with us, is a policy experienced by other unions with other employers. Look at the National Union of Teachers, which had negotiating rights withdrawn; at the N.U.J.; workers at G.C.H.Q. and others in the engineering and service industries.

A British Coal-imposed conciliation arrangement forcing this Union to recognise the breakaway U.D.M. would be utterly worthless, highly dangerous and would offer our members no protection. The only way we can get meaningful negotiations and a real conciliation scheme is if we are prepared to take action to achieve it.

Our Conference this week must adopt positive decisions on wages, hours of work, allowances, sickness benefit, unsocial hours payments and a multitude of claims which demand our attention.

Paramount should be a claim for a four-day working week within the five-day week agreement. This is especially important, considering the number of pit closures and job losses, and very high unemployment levels in our mining communities.

I have no doubt that our members will respond to the need for action when given positive leadership. In 1987, the Union ballot on British Coal's disciplinary code demonstrated that when that positive leadership is given, the membership is encouraged and willing to fight.

If we decide to call upon our members to take industrial action on any of the issues discussed at this conference, then it is imperative that a massive campaign be conducted – and all Area leaderships become involved positively in that campaign.

I believe that this is a time to recognise our strengths rather than bleat about our weaknesses. Unions such as ours were born out of the need of workers to struggle together against our class enemies – and a look out at the real world shows that today the need for struggle has never been greater.

## **ANTI-TRADE UNION LEGISLATION**

When the Tories first came to power in 1979, I warned that they would ruthlessly seek the destruction of effective trade unionism in Britain.

Over the past 13 years, we have seen eight pieces of legislation designed to achieve that goal.

There are only two ways trade unionists can respond to these laws. We can defy them as our forebears did – or we can comply with them.

In a country such as the United States, the price of compliance with anti-union laws can be clearly seen; corporate trade unionism has reduced the number of trade unionists to 16 percent of the total workforce!

If workers can demonstrate resistance on the streets of Berlin, Budapest, Moscow and Warsaw, why can't we in Britain demonstrate opposition to anti-union laws which are in conflict with the United Nations Charter and a clear violation of ILO Conventions?

Mass action in Britain defeated the Poll Tax – surely mass action can defeat anti-trade union legislation. Mass action in 1971 achieved that objective – why not in 1992?

It is essential that this Union reiterates its refusal to cooperate with anti-union legislation which seeks to undermine the democratic rights of independent trade unionism, and that we campaign actively for the repeal of all these laws which have enmeshed the entire British trade union movement in a legal spider's web.

## **CONCLUSION**

There are no quick fixes and no easy options to the challenges which face our Union and its members. New realism – which I have described as the “politics of fear” – has been tried both in this and other unions and failed miserably. You cannot compromise with an enemy intent on destruction.

It's time for this Union to stop looking inward and tearing itself apart and to begin the process of campaigning in the coalfields on the policy decisions agreed upon at this Conference. In that way we shall not only save our industry and our Union, but our dignity and self respect.