

**(MORNING SESSION)**

**OPENING OF CONFERENCE**

**PRESIDENT'S ADDRESS**

PRESIDENT (Mr I Lavery, National Union of Mineworkers): Comrades, fellow delegates, as always it gives me great pleasure to speak to comrades, friends and colleagues from the National Union of Mineworkers and, of course, to visitors present here today.

I speak as a proud and a privileged man. I speak as the President of the National Union of Mineworkers. I would say at this stage what an opportunity, for the first time since I have been Chairman, then President, that we have a tremendous opportunity in the coal industry. Things have changed ever so slightly. There are some bright lights on the horizon and as a nation we cannot afford to miss what I say is a golden opportunity for the coal industry.

They say a week is a long time in politics, yes, but a week is a long time in the coal industry. What we need is a commitment. We need a commitment from the Labour Party. We need a commitment from the various coal owners we have now in the industry.

The Government stated in its Energy Bill (which was introduced to Parliament in January of this year) that they had two long-term challenges. The two challenges faced by the UK were that of tackling climate change by reducing carbon dioxide emissions and ensuring secure clean and affordable energy.

Comrades, the way to reduce CO2 emissions is to burn coal cleanly, not just in the UK but across the world. It can be produced and burned like never before. What we need is the Government not to choose to ignore the fact that we have this opportunity and we need to look at the global trends of coal -which I will come on to very shortly in my contribution - because coal is not dead.

Coal, as I will say numerous times throughout this Conference, is the fuel of the future. Of that there isn't any doubt. With the statistics and facts and figures which I gave to this Conference I am sure we will all agree with that statement, because the world continues to demonstrate its insatiable appetite for fossil fuels, of course coal in particular.

Since 2003 coal is the fastest growing fossil fuel in the world. In 2006 the consumption of coal was 3.1 billion tonnes of oil equivalent, that is 30% above the levels in 2001.

This Union has always maintained that coal is a fuel of the future, but again listen to the statistics because they are alarming, quite frightening in many ways and extremely encouraging in others.

When we look at world coal production, global growth of coal production is absolutely huge. In 2006 global coal production increased by 12%. I have some figures for the global coal production which will quite frankly startle most people.

The People's Republic of China last year produced 98 million tonnes of coal; the United States 98 billion tonnes of coal; India 4 billion tonnes of coal. The list goes on and on and on. Comrades, world coal production is the only way the world will achieve its ambitions in terms of securing global supply.

When we look at world coal demand there has been an increase from 4 billion tonnes of production in 2005. When we look at 2030 it is set to rise by 73%. That is from 4 billion tonnes now to 7 billion tonnes in less than 20 years' time.

If the UK don't follow that trend that will not stop the Chinese, it will not stop the Indians, it will not stop the South Americans, it will not stop any other nation. Those are the projections for world coal demand.

In China alone, which accounts for more than half the world's production in 2006, the growth in China was 322 million tonnes. That is in 2006. That is more than five times the UK's consumption over the last five years.

You can see how globally coal is at the very top of the agenda and not, as it might have been not so many years ago, at the bottom of the political agenda.

Then we look at the world coal reserves because if we are to consume as much coal

we look to see where the coal internationally will come from. I have to say at this point in time China has 4.2 trillion tonnes of unproven reserves, 4.2 trillion.

When we look at the proven recoverable reserves of hard coal we look at the USA which has 213 billion tonnes; China 167 billion tonnes; India 95; Russia 69 (these are billion tonnes); South Africa 48; Australia 40; Ukraine 30; Poland 12; Brazil 10 and Kazakhstan 8 billion tonnes of coal. This coal will be produced, by the way, there is not any other way forward.

Many people, mainly in Asia, still have no access to electricity. That is 1.6 billion people throughout the world still have not got access to any form of electricity. Like us – and I think we would agree with that – they wish to have the same simple luxuries as us, the simple things in life, an improved life. Hardly a luxury to have electricity. We can see in this world, in this world we live that world coal production will increase significantly.

If we acknowledge these statistics it is utter folly to expect CO2 emissions to be capped or reduced through energy conservation and renewables. That is what the Government are saying at this point in time. It is genuinely totally unrealistic.

Carbon capture storage technologies and clean coal technologies are required as a matter of urgency to save this planet.

These global reserves will be exploited and if anybody tries to stop them then, as the old saying goes, there will be war on. The Chinese or the Russians or the Indians are not going to sit back and accept the argument that we should be telling them that they should cut emission levels and stop the growth in their own nations. That ain't going to happen.

What a great opportunity it is of course for the manufacturing base in the UK to develop different technologies in exporting to these expanding nations. China, I think they are building one 450MW power station every four days. Last year they built 98GW of electricity generation plant and the UK, to put that in context, their total capacity requirement on an annual basis is 73GW. They built 98GW last year.

That is not just a general acceptance that coal has a future but a definitive commitment to coal. As this Union has said on many occasions coal is a fuel of the future and not a fuel of the past. Coal is the answer to the world's energy crisis and not the problem.

Here in the UK the commitment from the Labour Government is not as strong as we would like. Depending who you listen to in Government there are conflicting and confusing stories. Malcolm Wicks, the Minister for Energy, continues to say we have a role for coal to play. There is a dependency on coal but he has never said "indigenous coal". I have discussed it with Malcolm Wicks twice in the last month, asked him about the problem, and he refuses point blank to agree to put "indigenous" in front of the role for coal. That in itself speaks volumes because what he is in fact saying is they are looking to import the coal into the UK for our future needs.

He is not keen on "indigenous coal". What he said to me was quite amazing the other day. He said "Ian, what the Union and what you should be doing is promoting coal more than you are, promoting indigenous coal more than you are." I really was unhappy with that and I will explain why: because we do everything within our power to promote coal in the UK. We use every tool in the box but the best tool in the box would be for the Labour Government to be putting supporting lines forward as well as

the National Union of Mineworkers. I told Malcolm Wicks that it was the Government's role to promote the indigenous coal reserves and production within the UK. He said at that point in time he did that on many occasions.

Comrades, the NUM has been successful in ensuring that coal and clean coal technology has been pushed to the very top of the political agenda. A conscious decision taken by the NEC was to do whatever was required to promote the clean aspects of burning coal. We have been very very successful in doing so. We knew at the time, because we had a lot of discussions, that promoting clean coal burn could mean we were promoting a clean coal burn, we could be successful, but the end result could be that we were promoting clean coal burn for other countries to import coal.

Unfortunately we are at that stage. The problem would be we knew but we had to promote coal as a clean fuel and that is one of the big difficulties we have at this point in time explaining to people that coal can be burnt cleanly.

For the first time in many years we have seen in the planning stages an application for a big power station, a coal-fired power station, Kingsnorth on the Thames. It is the first one to be proposed in an awful long time, miles away from any coalfield, miles away from any internal infrastructures which can deliver British deep mined coal to the power station, so it will be coal from other countries to feed Kingsnorth and that in itself again shows what the Government's current policy is with regards to coal burn and where the coal will come from.

We have a motion, composite motion A on the agenda today with regards to imported coal. I look forward to the discussion and debate on that. That is what I mentioned before one of the most frightening aspects, because when you hear Government officials saying that we have an over-reliance on gas and over-reliance on other fuels, I bet there is not one person in this room who has ever heard any Government Minister say "We have an over-reliance on coal imports" but it is very very high and very very significant.

Last year the UK imported 43 million tonnes of coal. The coal came from mainly Russia at 20.3 million tonnes, then we had South Africa at 7.7 million; Australia 4.7; Colombia 3.9; USA 2.5; Canada 1.7; Indonesia 1.5; others 0.7, whilst at the same time we produced 17 million tonnes of indigenous coal roughly split 50/50 between the deep mine sector and the opencast sector. You can see why we rightly are concerned with regards to the importation of coal, but the message is we are burning coal. We burnt 60-odd million tonnes of coal last year, 60-odd million, the vast majority of it coming from these countries which I have already mentioned.

Coal is not dead. In fact coal has never been dead. It has been kicked about a bit in the UK for reasons which we all know. We even look at the price of coal. Yes, of course it is significant now looking at the price of coal. The price of coal on the spot market on the 4 July 2008, 219 US dollars/tonne. Over £4 per gigajoule.

Two years into privatisation UK Coal set up a Committee, the 105 Committee. That 105 meant that if each colliery could produce coal at £1.05/GJ then they would not even consider the closure of any other colliery. What happened is what we said would happen: now £4/GJ.

Norman Haslam rang me up the other day. He said "We can sell as much coal as your members can produce £3/GJ." He said "I can get, I can get £75/tonne any time" so we are really now for the first time pretty buoyant.

Isn't it a crime? When you look at what happened at Rossington, what happened at Harworth, Ellington, what happened at other collieries, not to mention Selby Complex which was closed in 2002, Selby at times was producing coal. Rykneld for example produced coal towards the end of its life at 56p/57p/GJ. It is now £4/GJ and on average, as I said before, we were guaranteed, as we have been guaranteed a million times, a lifetime in the industry at £1.05/GJ.

The fact is, comrades, and I am sure you will agree, that the industry should never have been privatised, nor should any of the other essential industries. Why should important daily commodities such as coal, electricity and water be left to the vagaries of the free market? As a Union we are rightly committed to the renationalisation of the coal industry.

We recall Arthur Scargill speaking on platforms across the world simply suggesting that if UK Coal could receive the same subsidies – and in that I mean the UK coal industry – could receive the same subsidies as other forms of energy then we could produce coal and give it away with a ten pound note to each and every customer. It was right then to say that but now we are in a far stronger position than we were even then.

We have never ever had a better case for indigenous coal production in the UK. The price is right. We have security of supply or we should have security of supply. We can now burn coal cleanly. We have the right new technology in which to produce coal and burn it cleanly, but we have problems with the skills base at this moment in time, which all areas will be experiencing.

We have billions of tonnes of reserves in the UK and it has - it has refocused because of the money – it has refocused the coal producers on future coal reserves.

The former NCB projects which were first started by Albert Wheeler before the demise of the NCB are now under very close scrutiny by coal producers and not least, I am led to believe, there is a huge interest in the British coal industry from the Indian nation.

The projects I mention: Margam; Witham; Park; North East Leicestershire; South Warwickshire; East Yorkshire – that is Snaith and Howden; Amble in Durham, not to mention the massive reserves in the Scotland area, these reserves are now on the table being closely scrutinised for the future. So we have something to look at and we are by the way discussing this in great detail at the Coal Forum which was set up by the Government, of which I am the NUM representative.

As I mentioned before the message coming from the Government is confusing. The Secretary of State for Business, John Hutton, clearly stated only a couple of weeks ago that despite what is happening with Kingsnorth (because the problem with Kingsnorth is they are saying it has to be carbon capture storage ready and there isn't anybody who understands what that actually means) the people of Kingsnorth have applied for this permission and the Government say "It needs to be carbon capture storage ready". They are saying "What does that mean?" and the Government cannot answer.

So what John Hutton has said only a couple of weeks ago is "Yes, there is a role for coal to play and there is a need for clean coal technology and CCS, but because we will not have that ready by 2014 we need coal to fill that gap and coal-fired power generation" which need not be CCS ready - because I have not got a clue what that actually means at this point in time – it needs to be adapted in the future and it could

be adapted in the future. That is so significant to the industry it is unbelievable, if we can get them to commit themselves to the UK indigenous coal reserves – contrary to the views of Malcolm Wicks who says constantly “They need to be CCS ready.” We will wait and see on that one.

There has been a significant international change of political view on coal and that has been brought together because of a whole number of issues: the Asian economies needing to develop; the demand for coal in Asia and across the world; the technologies available to burn coal cleanly; the price of oil; the increased price of other fuels as well.

As I mentioned before, John Hutton has commented on the need for more coal-fired stations to meet the energy gap which I have mentioned.

This is a serious situation. The energy gap was looming. Presidents, delegates, representatives of the NUM for generations have always mentioned energy gaps and have screamed it from the rooftops “That is an energy gap, we should be concerned.” Comrades, I tell you, there is a recognised energy gap, it is recognised internationally, globally by everyone and anyone at this point in time.

A lack of commitment in progress in the UK in bridging that gap quite frankly is alarming. With the scheduled closure of coal and oil capacity of 11GW between now and 2015 where are we to get our generation? How are we going to keep the lights on?

The Green lobby don't want coal, they don't want nuclear, they don't want fossil fuels (which includes gas), they don't want windmills. I think somebody mentioned the other day that they are frightened these windmills are killing the butterflies and killing some birds. Well you know we have 11GW here and we are quite frightened that the lights will go out. I don't give a damn about these butterflies, I will be quite honest with you, and if people want to criticise me for that I am free and I will argue my corner. I am not particularly bothered about some of these birds as long as we can keep the electricity on for the nation and ensure that we have not got a blackout which is being anticipated.

I know Billy is a keen birdwatcher so he has his beady eye on me at this moment in time. I will suffer the consequences later, I am sure.

If we listen to the Green lobbies we have not got any energy other than water and some photovoltaics and other little measures (which should be encouraged, by the way) but they have not got the capacity of 73-75GW which we need in Britain.

The EU targets on emission level reductions are absolutely impossible. By 2020 20% of the European generation is to come from renewables. It may happen in Europe, it certainly will not happen in the UK.

Currently - I am talking about 2020 which is twelve years away – currently the 20% target in Europe we are meeting it 1.4%. We have an awful long way to go and we will not achieve the targets set by Europe.

What Europe has said in relation to coal generation was they wanted twelve demonstration plants: clean coal plants with carbon capture storage. The UK has agreed that we will have one. I tell you it is just not, not good enough. The EU have said we need twelve demonstration plants between now and 2015 and 30 within the following ten years and up till now there is only one country in the EU who has agreed,

that is the UK for one when we really should be going for four to five.

There is a beauty competition at this moment in time to see which will be the best demonstration plant and this is only a very small plant – it will cost a lot of money – but it is a very small plant, 300MW. There are currently four companies who have put in an offer for the CCS ready station. We are not sure where it will be, how much it will cost, we have not any of those details, but I think it is generally accepted that one plant of 300MW to save the planet is not good enough in anyone's estimation.

We need to look at the industry as we see it here in the UK. As I said it is fairly positive and with what I have said you would think "Why are producers, internationally and nationally not dying to come and open and reopen other mines?" It is an issue whether it should be new mines, whether it should be reopened mines because the question you have all had is "Can you reopen Longannet? Can you reopen Ellington? Should you reopen Longannet/Ellington, all the others? Should you develop reserves nearer where they actually are?" They are actually very very good discussions. When we look at the situation in the UK I have to say things for the first time I would not say are looking up, but we have a lot to fight for and we have a lot to go at.

Kellingley. The big 'K' is now successfully in the Beeston seam. It is going through a bit of a problem at this moment in time. However, that will be overcome and they are heading towards millions of tonnes of reserves which will provide employment for our members, hopefully for many years to come.

We have to keep fighting with Kellingley and I tell you why: the press have released UK Coal's preliminary six monthly figures and the headlines mention "Despite problems at Kellingley..." We have all seen that. It is a message and I will just plead with everyone in this room not to be complacent, continually fight for what is rightfully ours.

Maltby is now in the hands of Hargreaves Mining. Membership has grown and has been promised a new future.

Congratulations must go to Hatfield where Richard Budge and the Russians, together with our workforce, are forging ahead and now we have coal production in Hatfield. That is a success. It is a success. Whether the promising power station takes place and is developed in the timescales one can only but second guess.

At Thoresby the pit has been given basically another ten years' life by the development into the deep soft seam. There is a huge problem in terms of shift patterns. They want to change a three shift pattern to continental shifts. We look on to that with great anticipation.

Welbeck. Major cavity on the Longwall new face at this point in time. There is a new face expected to be producing coal in October. One of the things at Welbeck which we will be seeing at other collieries is Polish migrant workers working on coal production, on heading work and other ancillary work within the mines.

Daw Mill is overcoming its initial problems over the past two years with regards to health and safety. Hopefully that is something which we can all put behind us and they can get on doing the business as they have done in the past.

I must say from this rostrum we give congratulations in saluting the efforts of the South Wales men who have worked at Tower with the Tower Project, an absolutely

phenomenal project. It is so worthwhile in the communities which were devastated by the closure of the collieries and what a shining example Tower Main were with regard to the Tower Project which unfortunately has come to an end, but most of the men are now employed, or looking to be employed at different mines, Aberpergwm and the Unity Mine which I believe will both be in the not too distant future up to 250 men at either pit, which again is a great credit.

Harworth Colliery is a colliery which looks at this point in time that it will reopen. UK Coal are now doing a number of age profiles, a whole number of things, a project on Harworth, and hopefully the men from Welbeck will be transferred to Harworth.

There are problems, which I am sure people are aware of, with skills and age in the industry. We have an ageing industry and we have problems with people in terms of skills. If we are to promote the industry and we are successful we have this gap in terms of skills which we are discussing at every opportunity.

Green labour is now being considered for the first time in a whole number of years and again green labour is going to be extremely important if we have a future.

We have for the first time apprentices in almost every coalfield now being employed. These are good things. I think somebody mentioned "The green shoots of recovery". I am not sure what Party they were from at that time but never mind. We have a problem with supervisors and craftsmen being sought and again our part of the skills shortage. There are continuing mining problems within the industry.

We have wage negotiations coming on very soon. These will be extremely complex. We will need assistance from everyone so we can discuss because everyone now – and we knew that at the time of privatisation - people are on different rates of pay, different travel allowance, some have travel allowance, some haven't. We have all sorts of different rates for different things and we need to ensure that we get the right details at the right time for these negotiations.

Looking at other issues. The international links. The NUM is proud that it is still centre stage at many international coal mining and Trade Union events and conferences throughout the world. Our relationship continues to build.

The United Mineworkers of America have recently been in contact. We have contact with Australia, Cuba, India, Colombia, Venezuela, Palestine, South Africa, the list goes on and on and on.

Again looking around this room I am sure that every delegate is extremely proud of those links. It is so important that we maintain and strengthen the links worldwide with miners, we share the same problems both industrially and politically. Our international delegates in the past few years, the past few generations would be more accurate, have been so influential in formulating policy and enhancing quality discussion and debate on many mining issues, in particular safety and health, all in the best interests of the miners. China remains a huge problem.

Comrades, we look politically at the UK. Look at the lack of progress of the Labour Government in power. We discussed this last night a few of us. The problem is when you discuss it with like-minded people we all agree it is not good enough, but when somebody infiltrates your ranks who is not a traditional Trade Unionist and is not a traditional Labour supporter the answer always is "Well we are better than the Tories. Remember what they did." We have lots of different arguments.

I think it is fair to say we are absolutely disappointed in the progress. There has been a distinct lack of progress in twelve years of the Labour Government. The anti-Trade Union legislation has not been touched. We as a Union, and you as an individual, cannot take strike action without the full ballot, without having a whole ream of legislative documents that you need to ensure that the Union fulfils.

We had the Warwick agreement before the last election. 100 points the Unions put forward, 70 or 80 of them had already been in place anyway, the rest have been largely ignored. Not one significant change to work as rights in anti-Trade Union legislation in twelve years. People might describe it worse than I do when I say "less than disappointing".

We have the Warwick 2 agreement. The Warwick 2 agreement is another 170 ideas from the Trade Union Movement which is to be put to the Labour Party before the next election. This Union has not had any input. I am not sure who has had the input but I can guarantee that we have not even seen what the Trade Union Movement are looking to put forward in the so-called Warwick 2 agreement.

The war in Iraq, the war in Afghanistan absolutely unacceptable and it makes you wonder why at this point? They are killing, they are maiming, they are murdering. In Zimbabwe why Bush, why Brown hasn't agreed to go to Zimbabwe? I will tell you why, and there is not anybody in this room who does not know: because they have not got the oil and they have not got the reserves. Again extremely disappointing.

What is even more disappointing is the attack - I think I heard it on the news last night - on the former mining communities in terms of the likes of disablement benefit, incapacity benefit. They are looking to get rid of incapacity benefit as a whole. They have changed it from invalidity, they have changed it to incapacity, now they are looking to get rid of it and I tell you what: if they are successful in getting rid of incapacity benefit large parts of our communities will be eventually destroyed.

The top two in the country, the top two in the UK are Easington in the North East and Wansbeck in the North East. We have massive problems in South Wales and in Scotland right through the former mining communities with regard to incapacity benefit.

Who do these people think we are? Why do they think that mostly elderly people who have given a lifetime in hard industry do they think they are cheating? Incapacity benefit, it is not a fortune by the way. People wouldn't and don't want to be on incapacity benefit. They don't want to live on benefits, they don't want to live on handouts, they want to live in dignity peacefully, if they are disabled as best as they possibly can. With the payments they certainly have a huge problem in terms of living in luxury. Hardly a luxury in the twilight of your career on incapacity benefit.

The argument is, of course, what are the other options? The other options are the Tories. We need to work tirelessly to steer the Labour Party in the right direction. The argument is that we can only do that from being inside the Labour Party. I would not say to anyone who has left the Party that they have done the wrong thing, what I would say is the good old argument among comrades that we have not got much of an option, they are the only Party in town. What we need to get them to do is change that direction so we can get back the Labour Party from New Labour.

Comrades, the future of the Union is extremely important. This Union has a great, proud and historic record. We have been slaughtered as I have mentioned before. We have less than 1,600 members nationally and in terms of size we are little more

than a large Branch, yet the structures we have in place still in many ways reflect this big Union of hundreds of thousands of members.

There is even a constant fight to rid some members we have now. Whilst every other Trade Union fights to increase its membership we are doing the opposite.

The future is very much uncertain. Will pits open? Will pits close? Will the Government focus on our industry like other governments are doing? Will the Labour Government be elected at the next election? If not we all know what to expect, we all know how we will be treated by the toffs, the Tories, and we all know to expect total annihilation.

Comrades, I conclude by simply stating that in any event our Union needs a complete overhaul in whatever shape that may be. We have members and representatives in each area who do a tremendous job. We need to be as strong as ever. We need to be as big as ever and as understanding as ever. We also need to be big enough to make big decisions that will benefit both our members of the past and the present.

Like many members of this Union and people before me, the National Union of Mineworkers is my life. I am proud and honoured to be the President representing people like the people I see before me here today. Of course we all as a Union have disagreements, we might have different views, but rest assured, comrades, we all share the same aims and aspirations of the many people who went before us.

The National Union will never ever let you down. We need to stick together. We need to fight together supporting each other, the strong supporting the weak and remember, comrades, united we stand divided we fall. Unity is strength. It is an honour, comrades, to be the President. Thank you. (*Applause*)

CHAIRMAN (Mr K Stanley, Vice-President, National Union of Mineworkers): Ian, on behalf of Conference, can I thank you for that informative and enlightening address. I hand the Chair back to you.

PRESIDENT (Mr I Lavery, Chairman, National Union of Mineworkers): Thanks very much, Keith.

Can I invite Keith at this stage to present the Conference Business Committee Report?

### **REPORT OF THE BUSINESS COMMITTEE**

MR K STANLEY (Vice-President, National Union of Mineworkers): Mr Chairman, delegates, the Conference Business Committee has prepared a programme and timetable for the conduct of Conference and it has been circulated to delegates this morning. I trust that delegates have had the opportunity to read this and will accept the timetable, together with this report.

We are recommending that the business of Conference shall begin at 10.00 am until 12.45 pm. We will then reconvene at 2.15 pm until 4.30 pm, the completion of normal business.

The Business Committee recommends that Standing Order 11 relating to the limit of speeches be adhered to so that all matters before Conference can be fully debated.

The Business Committee is proposing that Conference be held in private session on