A strategy for coal

The belief that indigenous coal production is strategically essential neglects lost opportunity.

Sir Derek Ezra, the chairman of the National Coal Board, is understandably cross to have been told (*Nature* 21 January) that the industry that he runs with such distinction should go out of business. His letter on page 642 makes a number of points that can readily be conceded. British coal-miners have indeed become more productive; output per man has increased by more than 50 per cent in the past 30 years, consonant with the further increase of three per cent in 1981. Many of the difficulties of the British coal industry can indeed be blamed on backward technology and inadequate investment over a substantial period of time; these were, after all, some of the reasons why the British coal industry was nationalized in 1947. It is also true that the Commission on Energy and the Environment, whose chairman is Lord Flowers, in its report last year supported the understanding between the coal industry and the British government that there should be a long-term programme of investment in British mines; the commission's report, *Coal and the Environment,* would no doubt have been more widely read and thus more influential if it had not been priced out of the market (at £23.00, from Her Majesty's Stationery Office) and then not distributed, on the grounds of cost, to those who might have reviewed it. But neither these arguments nor all the social and thus political arguments that attend coal-mining (not merely in Britain) are sufficient reasons for not asking whether Britain can afford its coal industry.

The central issue is the assumption that not merely coal, but British-mined coal, is strategically necessary now and in the future. The question arose earlier this year with the prospect (now happily averted) that the coal board's final offer to British miners on pay for 1982, widely advertised as the most it could afford, would nevertheless be scorned and some part of British industry once more brought to a halt. This annual tussle between the miners and the board, bodies otherwise entirely in concert in their conviction that public investment in British coal mines must be sustained, has in recent years been emphasized by the discovery that the cost of importing coal into Britain even from Australia is frequently less than that of the home-produced product. Sir Derek Ezra rightly argues that the price of job-lots of coal bought at the depths of a slump are not representative of the prices likely to be charged for it on the open market when prosperity returns again. This point was conceded, but perhaps too grudgingly, in the article now complained of. But who can suppose that if and when international prosperity returns, it will be possible to moderate miners' demands on the size of the British share that should come their way?

None of this implies that British miners are more grasping than miners elsewhere, or that miners as such are a cupiditous lot. The reality is rather that coal-mining is a dirty and dangerous job, especially in deep mines. Many people who do not work in deep mines say they would never do so. Some, perhaps many, who do work there would prefer to work elsewhere, given half a chance. Nobody blames them. Nobody should. So it seems probable that if and when prosperity returns, not merely will cheap job-lots of coal be harder to come by but so will miners — as in the mid-1960s, when Sir Derek's predecessor, Sir Alf (now Lord) Robens laid the foundations of the now conventional wisdom that British coal production at about the present rate (a third down since 1950) is a fixed point in the compass of the future. But mining, however well mechanized, remains labour-intensive, so that the return of prosperity to Britain (there are no mines worth speaking of in Northern Ireland, so that the nomenclature is permissible) will herald either the flight of miners from the mines or their demand to be paid even more above the odds or, more probably, both. To anticipate this is not to slander an honourable group of men but, rather, is to acknowledge their wit and their good sense.

The argument can even be turned around. In the tight communities of mining Britain, miners are acknowledged to be resourceful as well as stubborn. They do not cut the figures of people who are especially well paid. How could it be otherwise? Even if coal could be sold at the pithead for £100 a tonne (roughly the equivalent of the landed cost of oil in Britain), which is mercifully out of sight, coal-miners would still be producing less wealth than most of those who work in old-fashioned modern industries — motor-car manufacturing, for example. Their capacity individually to create as much wealth as those who work in truly modern industries — the design of microcircuits for example — is certain always to be small. So why not consider what the circumstances would be like if the part of the British work force that rightly prides itself on its special skill was working in a really productive industry? The hidden costs of the conventional British assumption that coal is strategically necessary, reflected not only in subsidies by taxpayers but in needlessly high prices, are certainly high. The opportunity costs of employing such large numbers of talented people on work characterized by its rigours and its hazards hardly seems wise. (The Commission on Energy and the Environment, no doubt because of its terms of reference, does not take up this question.) So why not follow some different strategy — buy fuel on the open market, or buy less labour-intensive ways of generating energys nuclear power stations for example. And none of this is new — W. Stanley Jevons argued, more than a century ago, that the time would come when coal-mining would no longer be competitive in Britain.

Mercury handcuffed

Liberalizing British telecommunications is uphill work because it goes against the grain.

All concerned seem to be making heavy weather of the attempt in the United Kingdom to liberate the telecommunications industry from the monopoly of the British Post Office (now known in this guise as British Telecom). For the best part of two years, the government was struggling with the unfamiliar problems of how in the abstract to define the conditions under which others than the public monopoly might be allowed to compete with it in the market place. Now, with the Telecommunications Act on the statute book, it is possible to buy telephone handsets retail in British shops without breaking the law. The instruments are those to which the monopoly has agreed to recommend that a licence can safely be given, on technical grounds. It has, by all accounts, been less easily persuaded that it should also fall in with the proposals by Cable and Wireless and Barclays Bank to set up an independent trunk telephone system. Called Mercury, the new system was announced last summer as the commercial alternative to British Telecom.

Only this week has an agreement been reached by the Department of Industry, the Mercury consortium and British Telecom. For some unaccountable reason, the parliamentary draughtsman of the bill supposedly ending the monopoly foresaw the possibility that British Telecom's network might at some point be used by communicators other than itself, but failed to provide that those licensed to communicate electromagnetic circuits to each other might use the public network if that were convenient. The public monopoly has therefore been legally within its rights, in the past few weeks, to agree that the alternative network could go ahead but that it would not be allowed to use its own interconnections, domestically (which is less important) and internationally. The trouble, for the monopoly, is that this legally valid position was politically untenable. The Department of Industry could not have lived with such an impasse. So, in the end, all three parties have compromised. British Telecom agrees that Mercury can use its connections, Mercury has agreed to pay a royalty to the monopoly — and the Department of Industry is probably in a mood to proclaim that competition is not the universal boon it is cracked up to be. What it should have done is to have defined the rules of competition and then to have deligated their interpretation to some regulatory body or the courts.

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