

awake at nights. With remarkable speed, Parkinson last week published a white paper specifying the government's plans for selling off the publicly owned electricity industry, thereby silencing the people now running the industry who believe the sale should be managed differently (see *Nature* 331, 466; 1988). But even if Parkinson has won the battle, he may not have won the war. The weakness of the white paper is that too many of its promises may be kept only with the greatest difficulty.

What is now proposed is that the present electricity distribution organizations (called "area boards") should become private companies and that they should between them own the British national grid, which effectively sews all present consumers and all present generating stations into a single network. The grid has been constructed and is now operated by the Central Electricity Generating Board (CEGB), which also operates the nationalized generating plant. Meanwhile, the CEGB is to be broken for the purposes of the sale into two parts, the larger of which will own Britain's nuclear power stations and whose business will be to some extent underpinned by the requirement that the distribution companies should buy at least a proportion (not yet fixed) of their electricity from nuclear plants. The distribution companies will be able to buy electricity from other sources, such as novel power generation companies, either directly or through the grid, and will also be able to generate their own electricity if they choose. One small but important innovation is the requirement that the new owners of the grid should let it be used by outsiders, a large customer wishing to buy electricity from other sources, for example.

The plan is radical enough to satisfy the harshest critics, but is it wise? It would be easier to tell if there were some evidence in the white paper that a small army of economists had been asked to anticipate the problems that will arise. Relationships between distribution companies and power generators are to be regulated by contracts freely arrived at, but distribution companies will have an obligation to supply their customers (the other side of the monopoly coin). What will happen if a distribution company reckons that the only safe way of meeting the obligation is to build enough generating capacity to meet its own needs, turning its back on the national grid? In the long run, that is the way in which the present public monopoly will be converted into a dozen private monopolies. Yet how could such a company be justly penalized? It will be virtually impossible to devise a set of regulations that can be declared in advance and are more sophisticated than the familiar yardsticks of return on capital, and which are devices for giving companies a steady source of income.

By far the better scheme would have been to leave the grid with CEGB, but to insist on its use as a common carrier and to allow competition in the construction and operation of generating plant, either for local or national supply. But the government, having nailed its colours to the mast, will not now pull them more than half way down. That is why the best solution now is to separate the grid from both the distribution companies and CEGB, making it into a privately owned power broker, with an interest in making an efficient market in electricity. Meanwhile, CEGB could be made into a company owning all existing nationalized power stations, but with the understanding that decisions about which generating plant next to build would be left to those willing to risk their capital — either CEGB or an upstart competitor. That way, it would not even be necessary to decree a quota for nuclear power, which is hardly the way in which a government "determined that public confidence in the nuclear programme should be maintained" should seek to protect the nuclear industry. Why not leave that to the market for shares in the new companies, and to the profitability of CEGB's successors? For the plain truth is that a single successor to CEGB without a guaranteed sale of electricity from uranium but with potential competitors all around would have to look to efficiency for survival. If it had to build nuclear power stations in the process, that would be its own affair. □

Too many places?

The next reorganization of British academic life will be serious; there should be a simpler way.

THE University Grants Committee (UGC) will be telling British universities, later in the week, where it thinks they stand in what are called the earth sciences, that amalgam of geology with geophysics together with what used to be simple oceanography and/or atmospheric science. This is the culmination of a process under way for two years, punctuated by the appearance of a discussion document by Professor Ron Oxburgh a year ago, and which broke new ground in the management of the British university system by advocating open recognition that some university departments are first class, that others teach well and that still others have no continuing claim on public, let alone academic, attention. Since then, UGC has backtracked a little in the face of the simple logic that it cannot formally instruct universities to forswear some field of study, or to insist that they should never become more than merely competent in the field. UGC appears to be hoping that it has done enough quiet talking that even those who are surprised by the contents of the letters in the post to them will not feel aggrieved. Surely, by now, the argument goes, everybody must understand that there cannot be an excellent department of the earth sciences in every university?

The answer is probably "yes", even if people follow by asking "but why pick on us?". Again, UGC seems to be counting for consent on the care with which it plans that academics with something to contribute should be helped to do so by being given access to neighbouring universities' equipment (and free time in which to do so). But it would naturally be different if it were proposed that a particular university in Britain should sink back into a teaching role in, for example, English literature or physics and/or chemistry? Yet just that crisis may soon burst over the heads of British universities. Panels intended to tell sheep from goats are already at work in both the sciences. Ambitions that the physics panel should report in April are cherished mostly by its chairman, but by the beginning of the next academic year on 1 August, there should be a cat among both sets of pigeons. However generous the arrangements for sharing other institutions' equipment, what when academic physicists and chemists are told, well in time for 1990-91, that their bread and butter depends on service teaching, or even nothing much?

The riposte, that it had better not come to that, is also a good touchstone to judge what happens next. However enthralled outsiders may have been by the long agony of British academic life, they may not appreciate that the decisions now being made about the character of particular university departments are being made by academics in what they regard as the best interests of the system to which they belong. The decisions are forced by the money problem to which people have become accustomed, but which is an externality. The Education Reform Bill is formally irrelevant (but may make things even worse).

What, in the circumstances, should happen? The hoped-for recognition among earth scientists that reorganization is inevitable had better be translated to a cruder and simpler language. Britain as it is has too many universities, largely because the Robbins Committee in 1963 advocated a three-fold increase of the number of students coupled with a doubling of the number of institutions. UGC's present administration of that state of affairs (complicated by the equipotent polytechnics) cannot shrink the number of institutions; its best hope is that some of them will find better livings as specialized institutions called universities only in their names. But it would be better if that nettle could be grasped, and quickly. There are no more institutions that need to be sent into oblivion, and hardly any academics that need in the national interest to be fired, but there is a need that a government that pretends to want to run the university system should help it to become what it might be. That might even, in due course, be called education reform. □