

rather than public ownership will spread, and has probably come to stay.

None of that implies that all privatization is virtuous and deserves to be applauded. The British government's own record in the field, although admirably innovative, has been patchy in its execution. The impending much-delayed privatization of the nationalized railway system has all the makings of disaster, not only because of the complexity of the administrative arrangements decreed, but because many parts of the system will require continuing public subsidies when they are in private hands, raising the prospect that the government will be perpetually locked in argument over the level of subsidy with rail operators who will easily recruit in their aid all those likely to be harmed or inconvenienced by depleted services. That is a recipe for perpetual electoral unpopularity, for the present government and its successors.

Meanwhile, some of the British government's past privatizations have begun to unravel at the edges. The most obvious case is that of the electricity industry, most of which was sold off just over five years ago. Previously, Great Britain (the United Kingdom less Northern Ireland) had been supplied with electricity by three generating boards (two in Scotland) and by a dozen or so distribution boards organised on a regional basis. At privatization, the regional boards became separate companies (now called 'recs') and were given power to generate their own electricity if they wished. The generating board outside Scotland was split into three parts, one of which (called Nuclear Electric plc) owns nuclear power stations almost exclusively and will be privatized next year (if nothing goes wrong).

Curiously, the recs were made joint owners of what used to be called the National Grid, a high-voltage distribution system that makes it possible for a small country such as Britain to make economical use of bulk electricity generation. At the time, the theory was that the recs were likely to be at the mercy of the generating companies, so that effective control of the grid would give them a chance to answer back. But events have predictably shown that the shoe is on the other foot. The rules give the recs an incentive to meet their region's base-load for electricity from power stations they build themselves and to look to the generating companies only for the daily peak demand for electricity. So far, the threat that that might happen has ensured that it has not done so.

The cat that has now been set among this flock of pigeons is the expiry of the government's "golden share", effectively gave it the right to veto changes of ownership of the electricity companies. The first sign of trouble was a bid for a company called Northern Electric by a conglomerate called Trafalgar House, with no expertise in electricity generation or distribution; that bid has been turned away by the rec's decision to return to its shareholders the equivalent of what they had paid for their shares in the first place. As a result, the official regulator of the industry decided to toughen the conditions that the power companies must satisfy in the years ahead. But that has not been enough to deter other bidders for other companies; one rec (Eastern Electric) has been snapped up by Hanson plc for £2.2 billion, another is

under siege by a US electricity utility.

All this is predictable and should have been predicted. Left to themselves, the recs would now presumably recombine into the monopoly they were before privatization. Somewhere along the line, the government would put a stop to that with a reference to the Monopolies and Mergers Commission. But to those with deep pockets, a rec is a good buy because only modest skill in exploiting technical innovation should make it easy to beat the inflation-linked price caps which are the standard regulatory technique in Britain, while the largely unexploited self-generation of electricity offers a rec the opportunity to become a major generating company as well. In the long run, the result may be genuine competition among a few recs to be a major generator of electricity as well, but the process will take time. It seems a roundabout way to reach a goal that might have been specified at the outset. The trouble with privatization is that it is, in practice, irrevocable. □

## Festival of chips?

**The British Association's visit to Newcastle next week could be good for both.**

THE British Association (for the Advancement of Science) is a venerable institution in the strict sense of that word. Founded in 1835, it functioned as a lively and informal scientific society during much of the nineteenth century. But for at least the past half century, it has not been that at all. The annual meeting is no longer what it was at the beginning of this century, a forum at which people with original discoveries to report would argue their significance in public, and has become what the programme for this year's meeting (at Newcastle from 9 to 15 September) calls itself — a "festival of science". There is no shame in the changed role of the annual meeting. The profession of science has become more professional than formerly, and who will say that the present time does not need a regular occasion when a wider circle of people can celebrate what science can do well?

Sadly, the BA has not always lived up to this expectation. The sense of festival has too often been undermined by the homespun character of too many of the presentations, by spartan or at least un festive surroundings and by general aimlessness. In the recent past, the BA has found itself holding its meetings at universities that are not conspicuously centres of population, with the result that excellently constructed programmes have been poorly attended. Mercifully, this year may change that. Newcastle is not merely a conurbation as well as a city, but it is also still hugging itself in the knowledge that Siemens, the German manufacturer, intends to build a major microchip plant in the region. After miserable decades during which shipbuilding and coalmining in northeast England have drifted into oblivion, the Tyneside region has a sense of festivity again — and a practical need to learn about microchips. Would it not be grand if some of that rubbed off on the BA? Like Newcastle, all it needs for survival is a little luck. □