

How to Dethrone King Coal

John Major's error about mine closures was entirely foreseeable. He should have realised that the miners remain a romantic "working class" symbol. This is despite the fact that the miners have long been a patrilineal dynasty with enviable wages and working conditions. It is politically necessary somehow to buy off the miners. They do not deserve more tax-extorted hand-outs (not that anyone ever does), but a final payment is the politically necessary lesser evil.

The miners are right to object to subsidies to the nuclear industry in the form of a 'nuclear levy' from other power sources. But they are the last who ought to be objecting to subsidies. Tax-subsidies penalise efficiency and reward inefficiency. So all such subsidies should stop - including those to the mining industry. Libertarians are not ideologically committed to any particular type of power any more than any particular make of car. Let them all compete freely so that the buyers can purchase at their own expense whichever they prefer at the real price.

If some other state is stupid enough to subsidise its territory's coal businesses with tax-money and encourage them to sell abroad, then people should buy the cheap coal and have a laugh at their expense. There is nothing to be gained by declining this bargain or, worse, imitating the folly in thereby subsidising foreign industries. But even foreign buyers do not gain in the long term. For, to waste resources by tax-subsidising what is not profitable is to become less productive for oneself and for those with whom one trades.

What about the owners?

The strict libertarian position over the mines should include seeking out the descendants of the original owners and trying to provide them with (non-tax) compensation for the compulsory purchase by the state, or giving them back the pits (plus damages). Unfortunately this is not yet practical

politics. Some other strategy has to be found that is at least more libertarian than the existing situation.

Give the Miners the Pits

It is still not too late to dethrone King Coal before the next election. One practical solution would be to give the miners the pits on the strict and binding conditions that they will never be allowed another penny of taxpayers' money or any restriction of free trade in coal. They would not be so foolish as to turn this down, as the pits are at least worth more than any redundancy money they might receive. The miners assert that British coal is economic. We would soon see how far this is true.

Free Life