

\$400 million, having provided \$150 million in 1977. During their recent conference in Vienna, OPEC finance ministers also approved an interest-free loan of \$30 million for the project. The present plan is that production capacity will rise to 12 million tonnes per annum.

The collaboration now sought with foreign companies is not new to India. In the 1970s, for example, the government invited two American and one Canadian group of companies to explore. They left, however, after finding their wells dry. India has also been collaborating with other countries in contract surveys and recovery or increased production technologies.

Zaka Imam

UK pharmaceuticals

Bad risks

The problems of getting new drugs onto the market have been brought home to two British pharmaceutical companies in the past few weeks. Fisons, after many years of costly development, have had to abandon the antiasthmatic drug Proxicromil in the face of evidence of ulcerogenic and carcinogenic activity in rats. And Beecham's new antibiotic combination, Augmentin, has received a cool reception from the government's Committee on the Safety of Medicines.

In Proxicromil, Fisons thought they had found a successor to their major money-maker Intal (cromolyn). During the past 10 years, Intal has proved to be one of the most effective inhaled antiasthma drugs. But Fisons' patent on Intal lapses in 1982, and other manufacturers will be able to produce alternative forms of cromolyn.

Since 1973, the company has spent between £12 and £15 million on developing Proxicromil as an orally administered alternative. Clinical trials had been very encouraging, and it looked as if Fisons had succeeded where others had failed and had found a drug which could be taken in the high doses needed by the oral route without having unacceptable effects away from the site of action.

But late in the day, only last October, long-term animal toxicity tests began to show that Proxicromil induced ulcers and renal tumour. Fisons acted quickly and halted further work on the drug despite the massive investment already made. Proxicromil had been expected to bring the company earnings of about £10 million a year, and the immediate reaction on the stock market was to reduce the market value of the company's shares by £10 million.

Trouble in the drugs division comes at an awkward time for Fisons. Four fertilizer plants are to be closed, while the company is also suffering from the general slump in the heavy chemicals industry. Last year, Fisons made a net loss of £16.8 million compared with net profits of £12.1 million the year before. Other cost-cutting moves

include closure of the London office.

Beecham's immediate problems are not so grave. But the Committee on the Safety of Medicines, which is technically advisory to the Department of Health, is quibbling with the company over the indications which should be listed for its new antibiotic Augmentin.

This is a combination of the semi-synthetic penicillin amoxicillin with clavulanic acid. The clavulanic acid is there to block the action of β -lactamase enzymes produced by penicillin-resistant organisms and so protect the active amoxicillin.

The committee is broadly suspicious of any combination of drugs, considering that general use might cause problems of multiple drug resistance in the long term. It seeks to restrict the use of Augmentin to only the severest of infections in adults and has suggested it be used only for infections with Gram-negative bacteria, mostly urinary tract infections and bacterial gastroenteritis. Beecham had in mind a wider range of applications. What happens now is that the company will resubmit its views to the committee, pointing out the benefits to be had by a wide use of Augmentin. And sooner or later a final list of indications will emerge.

Charles Wenz

Telecommunications

Bell's bother

Washington

The future of one of the world's largest private research institutions, the Bell Laboratories, once again hangs in the balance following the failure of its parent body, the American Telephone and Telegraph Company (AT&T), to reach a settlement with the US Justice Department on anti-trust charges.

The trial of the Justice Department's suit against AT&T opened on Wednesday, 4 March in New York. The lawyers are settling in for what may be a two-year spell. Last month, a day after the suit had come to court, the case was adjourned when both sides informed Judge Harold H. Greene that the "framework" for a consent decree settlement had been reached. The trial was deferred to allow the details of the settlement to be worked out providing the ground rules under which the company will be allowed to operate in new areas of telecommunications, such as information processing. A fortnight ago, however, negotiations over the terms of the settlement broke down.

The suit filed by the government alleges that AT&T had abused its monopolistic power over the US telephone system in the 1960s and 1970s, and required the company to divest itself of various parts. This would have included not only 23 operating telephone companies and an equipment manufacturer, but also part of the Bell Labs, where much of the world's basic research into telecommunications is

carried out. Although no formal announcement was made by either side about the rumoured settlement, it was generally believed that the laboratories would not have been affected.

With the breakdown of the negotiations, however, there is no longer any assurance that the laboratories will remain untouched, and it seems likely that the final settlement could be less favourable to the company.

A major uncertainty at present is the likely attitude of the new Administration, whose refusal to approve the framework negotiated under the Carter Administration has been cited as one of the reasons for the delay in reaching an agreement.

Last week, President Reagan announced the nomination of Stanford law professor William F. Baxter as Assistant Attorney General in the Department of Justice responsible for anti-trust affairs. Mr Baxter has previously spoken out against large divestiture cases, and the Office of Management and Budget has recently proposed terminating the anti-trust activities of the Federal Trade Commission, both factors which were thought to be in AT&T's favour.

However, lobbyists for AT&T's competitors cite a paper in the American Bar Association's *Antitrust Journal* written by Mr Baxter in 1977 in which he argues that divestiture may be the appropriate remedy in cases involving regulated monopolies.

The resumption of the trial has also provided an excuse for renewed attempts on Capitol Hill to develop legislation aimed at breaking up AT&T, on the grounds that the future control of telecommunications technology is too important to be left to regulatory commissions or to the courts.

Last week, Timothy Wirth, the new chairman of the House subcommittee on telecommunications, consumer protection and finance, said that the House was prepared to step in with legislation to increase competition in the telecommunications industry. Members of the Senate Commerce Committee are also considering draft legislation.

Last year, the House committee passed legislation which would have required the company merely to undergo an internal restructuring, setting up a subsidiary to carry out the research and development of competitive services. Such legislation had long been sought by AT&T, but was opposed by its competitors on the grounds that it would be pre-empting the Justice Department suit.

The latest challenge to AT&T comes from a group of shareholders, who are proposing at the company's annual meeting next month that it change its name to either American Telephone and Technology Inc. or American Telephone and Telecommunications Inc. to reflect the new areas of operation that the company is keen to enter. Both changes are opposed by the company itself.

David Dickson