

France creates new super-ministry

Chevènement adds industry to research

M. Jean-Pierre Chevènement, formerly French minister of state for research and technology, has risen to new heights in last week's cabinet reshuffle. Far from being affected by his gaffe over the Palestine Liberation Organization leader Yasser Arafat (see *Nature* 1 July, p.2), Chevènement has been promoted to a new super-ministry, the ministry of research and industry.

Because of the recent nationalizations, Chevènement will there control nearly half the productive power of France together with almost all government civil research and development through the staff of the old ministry of research and technology.

Thus Chevènement comes to be what must be the most powerful "minister of the future" in the Western world. Not only has he had a year to develop an energetic



Chevènement: ambition undimmed

politics of science and technology, enshrined in a law given final approval by the National Assembly last Wednesday, but now he has at his disposal the means to put it into action.

Strangely enough, Chevènement was once firmly against the idea of a joint research/industry ministry. When a previous government set up a ministry of industry and research in 1970, he took the line that research would be submerged and forgotten — which proved to be the case. Now he sees the joint ministry as a "lever" of social change.

All this grand politics has provoked disquiet in the universities, where some fear that even fundamental research will be drawn willy-nilly in Chevènement's politically determined directions. Others, however, hope that Chevènement will now be so concerned with the more immediate politics of industrial affairs that he will let research alone.

Nevertheless, the fact that the new

ministry will be called research first and industry second is significant: Chevènement will retain most of his old cabinet of immediate advisers, including his *directeur du cabinet*, M. Louis Gallois, and the man who was to be and will be responsible for seeing into effect the new law on science and technology, M. Roland Morin.

In industry, energy will be one of Chevènement's new portfolios, delegated through the junior minister for energy M. Edmond Hervé. In this field, Chevènement has shown himself catholic: he will consider any form of energy that will free France from dependence on oil. The fast breeder reactor and nuclear power in general are secure with the new minister; and so are biomass and other forms of alternative energy, supported through the recently created Agence Nationale pour la Maitrise de l'Energie.

In the rest of industry, Chevènement's actions are likely to centre on improving

industrial research and development, which has been a weak point in his plan to raise total national spending on research and development to 2.5 per cent of gross national product by 1985. (It stands at 2.0 per cent at present.)

French government spending is already on a par with that of other industrialized countries, critics of the plan have pointed out, and it is industry's effort that has to be raised, not government's. The point was well taken at the ministry of research and technology, and now Chevènement is in a position to do something about it.

The minister is considering fiscal policy (tax incentives) as a means of encouraging private industrial research (despite his early reluctance to use such a "blunt" instrument); and he can take direct action with nationalized industry. Through the nationalized banks, he may also set up sources of venture capital.

Robert Walgate

Hopes for Bell in AT&T case

Washington

The argument over Bell Laboratories' proper role in the soon-to-be unregulated American Telephone and Telegraph Corporation (AT&T) continued last week, as Federal Judge Howard H. Greene held hearings on the government's proposed anti-trust settlement with the company.

AT&T made clear that in agreeing to give up its local telephone companies (the Bell Operating Companies) it felt it was paying a high enough price for the right to enter the unregulated market in computers and data processing. AT&T has so far been barred from this area on the theory that revenues from its regulated telephone monopoly could end up subsidizing computer research and development, giving it an unfair edge in the open market.

Bell's would-be competitors argued that such cross-subsidies could still occur under the settlement, since AT&T would keep its *de facto* monopoly on interstate telephone traffic. Bell Long Lines currently handles more than 96 per cent of this traffic.

The crux of the matter is what role Bell Laboratories will play. At present, 80 per cent of Bell Labs' basic research is supported by the "licence contract fee" that the Bell Operating Companies pay to AT&T. This source will be lost after the settlement.

William Keefauver, vice-president and general counsel of AT&T, says that although this will cause problems, they will be "manageable". He says AT&T intends to maintain Bell Labs as a "first class research outfit" by making up for the lost support with increased contributions from Long Lines (which now supplies the remaining 20 per cent of basic research costs) and with contributions from

American Bell, the new AT&T subsidiary created to go into the computer market. Estimates of the Bell Operating Companies' current contribution to basic research at Bell Labs vary from about \$200 million to \$400 million, depending on how basic research is defined.

Judge Greene is expected to rule quickly. He has a limited range of choices: he can approve, disapprove or suggest changes. Disapproval would mean reopening the case, which has been going on for eight years already. Action in Congress, however, may make the ruling irrelevant. Representative Timothy Wirth (Democrat, Colorado) has introduced legislation that would make the proposed settlement into a law — but go a few steps further. The bill (HR 5158) stipulates that any transfer of funds from Long Lines to Bell Labs must be in the form of a contract for specific research. Any patents arising from such work could be made available to the unregulated portions of the company — American Bell, Western Electric (which manufactures telephone equipment), and AT&T's international division — but only if they pay for it, just as any outside firm would have to do.

AT&T has fought an intensive lobbying campaign against the bill and has spent \$3 million on it. Keefauver argues, however, that the bill would do serious damage to Bell Labs' traditional strength in basic research. He says the requirement that regulated and unregulated research support be separated is unrealistic when basic science is involved: "How do you know where your research is going to go? Electrons and protons don't know whether they're regulated or unregulated."