

no known violation of any of the treaties signed in the past four decades. It is true, of course, that the temptation to cheat may increase as the stakes get higher, as they will be with treaties for reducing the numbers of strategic weapons on each side. But that circumstance argues for verification (where the scientific community to which the President was appealing could genuinely help). To take fright, to dither and confuse the negotiations under way by talk of novel weapons systems that are certain to damage only one thing — the economy — is to miss a trick and to hand the Soviet Union a powerful advantage. □

## What now in France?

*M. Chevènement was a powerful minister but his departure last week may bring stability.*

THE departure of M. Jean-Pierre Chevènement from the ministry of industry and research in the French Government is the most spectacular but the most predictable of the consequences of the cabinet reshuffle. Since the Mitterrand government took office in May 1981, Chevènement's political position on the left of the Socialist Party has been well known and widely understood: he belongs to the school of thought that believes that a country such as France should be able to spend its way out of political trouble. At the outset, this opinion was shared by his fellow ministers. Only in the past few months, as the harsh realities of monetary arithmetic have become unavoidable, has the government come to recognize that it would have to change course and follow most other European governments in reducing public expenditure (or raising taxes). Chevènement now says that he offered his resignation on 2 February, eight weeks ago, when he saw the way the government was being forced to move and decided that he disliked what lay ahead. Plainly, however, the rift between him and the President was not so sharp as to prevent him keeping quiet so France could negotiate from strength (or lesser weakness) at last week's crucial meeting of the European Monetary System (from which Chevènement would have pulled out).

So what will happen now? Chevènement has been an energetic minister, responsible for science and technology until last August, afterwards for industry as well. On balance, he has served the scientific community well. Having persuaded the government that research and development are the only durable foundations of economic success, he fought successfully for budget increases whose like has become unfamiliar everywhere else. Last year, 1982, seemed like one long Christmas to many scientific institutions in France, but this year's generous budget increase has been sharply eroded by inflation and by the government's decision that a proportion of the funds appropriated should not for the time being be spent. But Chevènement has done more than merely provide more money. It is to be hoped that the spirits of the scientific community will permanently be raised by Chevènement's demonstration that at least one government is prepared to take it seriously, and to deal with it generously. So Chevènement will be missed, although not by everybody. The application of his syndicalist views to the management of scientific institutions, as in the proposal that institute directors should retire after a fixed spell in office, and his hankering for the electoral process in deciding who should be in charge (see p.366) may yet be disastrous.

So what will happen now? The French Government is unlikely radically to change its objectives and its attachment to the importance of research simply because M. Chevènement has gone. Its capacity to devote resources to these causes will, however, be diminished by the austerity measures that will be needed if France is to survive within the European Monetary System. M. Laurent Fabius, the new minister, is therefore likely to be as sympathetic as Chevènement. By reputation, however, he is less convinced than was Chevènement that innovation is valuable simply for its own sake. The result may be the best of both worlds. And it would be wrong to write off Chevènement, who remains a member of the National Assembly, and who is young and ambitious enough to keep pressure on the government. □

## Down with air cartels

*The US Justice Department is looking into airline price-rigging. Will it free this hamstrung technology?*

CARTELS are widely and rightly distrusted in most industrialized countries — except when they are organized by the United Nations. That seems to be the tacit principle by which the explicit price-fixing carried out by the world's major airlines is condoned. At least once a year, the members of the International Air Transport Association gather at some delectable resort and then, without even a show of diffidence, make public announcements about the fares that they have agreed among themselves to charge on international routes. Very little imagination is needed to tell how the bargaining proceeds. The weaker international airlines, even when highly subsidized by their governments, cannot under present circumstances be driven out of business without putting at risk the bilateral agreements under which states offer each other landing rights on a reciprocal basis. Inevitably then, the financial needs of the weakest airlines are powerful determinants of the level of international fares. The stronger airlines, on the other hand, have no compelling reason to protest. They use some of the financial slack to experiment with discounted fares of various kinds or to keep down fares on domestic operations, while it must be presumed that they are also able to be less vigilant in the management of their own affairs than sheer efficiency would require of them.

These are some of the issues that should concern the United States Justice Department, now embarked on an important investigation of price-fixing on the North Atlantic route. Although the investigation appears to have been prompted by a legal complaint of collusive competition by the liquidators of the British company Laker Airways, which collapsed last year after failing to make a go of its cheap transatlantic fares, the Justice Department has apparently given itself wider terms of reference. So it should. The surviving airlines have been indecently quick to abandon cheap transatlantic air fares now that Laker has disappeared. And, as things are, the ultimate users of international air transport — fare-paying passengers — are probably paying more than they should for the benefits of an indispensable technology. So much should be clear from what has happened in the United States since domestic air transport was abruptly deregulated three years ago.

The same trick could not be made to work internationally, if only because government-subsidized airlines could always keep their aircraft decently full by undercutting their competitors, persuading their governments to pay part of the cost of other people's travel. Further diseconomies inevitably arise because bilateral agreements on international air transport usually limit the numbers of aircraft from the two sides that will be allowed to land each week at each other's airports, thus implying that, so long as fares are fixed, even the most efficient operators cannot hope to win a decisive advantage over their competitors. The way out of these dilemmas, however, is as clear now as it has been for several decades. The present system for regulating international air travel should be replaced by something quite different — a requirement that no international airline should subsidize its operations on any single international route coupled with the freedom to land where it likes as often as it pleases.

The consequence of such a system would be that airlines would be compelled to relate their fares to their true costs, even if by doing so they were to price themselves out of the market. (They might cushion the blow to their accounts by devising their timetables so as not to coincide with those of their competitors, as at present.) Only thus will over-capacity on the busiest international routes be made to disappear. Indeed, the advantages of confined competition along these lines would be immense, both for air travellers (who could expect to pay less) and the airlines (which would find themselves spending less on fruitless competition by shuttling half-empty aircraft about the world). While it has the chance, the Justice Department should take the issue by the scruff of the neck. □