

ICL, representatives of the computer software and services sector, and trade unionists. IBM had just gained membership to the NEDO committee in a victory for its campaign to be recognised as a good UK citizen, but it had joined too late to be part of the drafting process.

The Department of Trade and Industry dismissed the report with a nod towards a series of support schemes launched in the past five years. But the criticism of the Government's stance has sharpened with an attack on both the direction and level of government support. Sir Kenneth Corfield, chairman of Standard Telephones and Cables, raised his voice against the degree of priority government support of research gives to the defence sector as against the civil sector. Corfield has recently had his stature in the UK information technology industry raised by the successful acquisition of ICL. The enlarged Standard Telephones group now covers chip manufacturing, mainframe, mini and personal computer manufacturing, telecommunications media like fibre optics, a software house and, the core of the business, telecommunications switching products.

Corfield was joined in his criticism by the head of the National Computing Centre, a privately supported club of computing vendors and users which was established with government support. The NCC made detailed criticisms of the UK initiative to develop fifth generation computer systems which goes under the name of the author of a report into the topic, John Alvey. The Alvey initiative is too biased away from the genuine use of computers, the NCC claimed.

To these two critics must be added the continuous barrage of complaints made about the provisions for training people in skills which the information technology industry is crying out for. The information technology industry, in general, is a firm supporter of free market economics. It is believed that only the rigours of the free market will allow technology to be fully exploited. The general thinking in the boardrooms of the industry accepts as a tenet of faith that state interven-

tion distorts that free market. The interesting point is that, when it comes to individual cases, state support is seen as essential.

ICL, for instance, argues that the level of US state support is massive, mostly filtered out to the biggest companies in the form of contracts for the Pentagon. Just to balance that out, ICL believes that state support should be stronger.

Despite these individual pleas for state assistance, however, the philosophy of a free market is accepted, almost relished. The critics are not proposing that massive state intervention along the lines of the French government programme initiated after Mitterrand's election is either on the cards or should be contemplated. Instead they say that the support already given should be redirected and amplified by a series of other measures to strengthen the base of the UK industry. All these changes, they claim, are well within the government's philosophy of a free market and well within its current budgets.

To this extent, the criticism of the government by information technology critics is very damaging. The criticism is essentially from within the government's ideological camp and so cannot be dismissed as easily as the demands for more drastic intervention made by the Left.

Kenneth Baker, the minister who was in charge of information technology before he was moved to do battle with Ken Livingstone and the six metropolitan counties, was always able to give the air of a man with a deep interest in the welfare of the industry, an interest which he has had for years. Baker, in short, would have been able to deflect a lot of the criticism. Not so the new minister, Geoffrey Pattie.

The Department has made one decision that got a lot of support from some quarters of the industry and was directly in line with its free market philosophy: stopping IBM and British Telecom from setting up a joint computer and telecommunications network to carry users' data over it. This proposal, called Jove, was a massive threat to other potential network suppliers who could use British Telecom's telecommunications facilities to offer similar services. The Department squashed the Jove proposal on the grounds that IBM and British Telecom combined would be more than a match for anybody and so kill off competition in a potentially lucrative market.

The government's critics are saying now that banning initiatives is OK but it hardly constitutes a comprehensive industrial policy.

Richard Sharpe

• INFORMATION TECHNOLOGY INDUSTRY BREAKS RANKS

The UK information technology industry is taking a lead in criticising the Government's industrial policy, making dire predictions that unless there is action within 18 months the future of the industry will be blighted. The most solid criticism has come from the National Economic Development Office (NEDO) in a report which broke NEDO's normal restraint so far as to use the word 'crisis' in the title.

The report warned that, without drastic action, the UK information technology manufacturing industry will pass below a threshold of viability. It was put together by a very broad coalition of big manufacturers like

