congressional appropriations committees need now to look ahead and figure out what the real costs of a $200 million increase would be as they multiplied in coming years. Congress will be doing this in an environment in which the federal budget deficit is on everyone's mind. Says one aide, "The word around here is 'freeze.' " If Congress does decide to cap domestic budgets, there is no particular reason to expect that an exception will be made for biomedical research. On the other hand, if the freeze is broken in one area, there may be no holding it in others, in which NIH ought to have a good shot at getting back at least some of what it so ephemerally had.—**BARBARA J. CULLITON**

Commission Proposes Science Department

A presidential commission, consisting largely of chief executive officers of high-technology companies, has now made public its widely heralded recommendation that the federal government should combine all civilian research and development agencies into a Department of Science and Technology. The proposal is contained in the final report of the President's Commission on Industrial Competitiveness, a body established in June 1983 to provide advice on government policies to help U.S. industry fend off international competition.*

The commission's interest in establishing a science and technology department has already stimulated a great deal of public discussion of the idea (*Science*, 21 December 1984, p. 1398). The report is not specific on what should be included but argues that "such a department would make clear the importance of science and technology at a time when technological innovation is key to enhanced competitiveness." John A. Young, president of Hewlett-Packard Company, who chaired the commission, added at a press briefing on 13 February that "Technology is our greatest advantage . . . federal nondefense R&D efforts represent an $18 billion annual investment from which we could reap greater rewards." The current fragmented structure of the federal R&D enterprise does not permit adequate coordination, he says.

Young outlined the commission's proposals to the Cabinet Council on Commerce and Trade on 24 January and is said to have received a sympathetic response. According to White House officials, however, the idea of establishing a science and technology department is unlikely to advance far within the Administration, at least for the time being. With more urgent issues involving the budget and reducing the federal deficit to be dealt with, "this is not the time to propose a major reorganization," notes one official. For now, he says, the idea is "on the back burner."

How long it stays there may depend in part on whether two other reorganization plans are put forward. The first involves a possible merger of the Department of Energy and the Department of the Interior, an idea that was widely discussed early in January. The second is the creation of a Department of Trade and Industry through a merger of the Department of Commerce and the White House Office of the U.S. Trade Representative. This was formally proposed by the Administration 2 years ago but was never acted on by Congress. The commission has proposed that the idea be resurrected, and President Reagan noted in his State of the Union Address that "we need a stronger and simpler approach to the process of making and implementing trade policy and will be studying potential changes in that process in the next few weeks."

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Both those potential reorganizations would have implications for several scientific programs and agencies. An Energy-Interior merger, for example, raises the question of what would happen to the Energy Department's substantial physics and energy research programs, which would not fit logically into the Interior Department. Similarly, The National Bureau of Standards and the National Oceanic and Atmospheric Administration, which are currently part of the Department of Commerce, would not fit into a trade and industry department.

Supporters of a science department point out that such a body would be a logical home for the orphaned Commerce and Energy programs if the two merger plans were to go forward. The mergers themselves would run into substantial opposition on Capitol Hill, however, and a wider reorganization involving a Department of Science and Technology would stir up even more opposition because it would require substantial realignment of congressional committee jurisdictions. Thus, the Administration is not likely to put together such a sweeping reorganization package while it is concentrating on more immediate political issues, White House officials note.

Some of the commission's other recommendations concerning R&D are likely to receive prompter attention, however. They include:

- *Tax incentives for private sector R&D.* Under existing tax law, companies can claim tax credits equivalent to 25 percent of the amount by which they increase their outlays on R&D. The commission recommends that the credits, which are due to expire at the end of the year, should be made permanent and that the definition of R&D should be expanded to include a broad range of activities associated with R&D. It also advocates a new tax credit to encourage more investment by industry in university research.
- *Increase support for university research.* The current level of government funding of university research "should not only be continued but, if possible increased," the commission recommends. This could be achieved in part by transferring some funds from the national labs: "Improved management of Federal laboratories could free up considerable funds. These could be better spent in universities, which provide the dual benefits of scientific advances and the training of future scientists and engineers."
- *Pay more attention to manufacturing technology.* Manufacturing engineering has suffered from lower status than other areas of engineering, the commission notes. The private sector needs to invest more in this area, but the federal government could help by making expenditures to develop innovative manufacturing processes eligible for the R&D tax credit. More government funding of university research on process technologies would also be helpful, the commission suggests.—**COLIN NORMAN**