

In the Shadow of the Budget Ax

A bipartisan compromise worked out by congressional leaders and the White House may spare most research programs from the deep reductions prescribed in the revised Gramm-Rudman-Hollings deficit reduction law. The tentative plan, announced on 20 November, would require that \$2.6 billion be cut from fiscal year 1988 domestic discretionary spending accounts instead of the \$12.5 billion called for under the previous Gramm-Rudman formula (*Science*, 30 October, p. 604).

Federal agencies may not have a firm idea of what their budget totals will be until mid-December, when the House and Senate are expected to pass a massive continuing resolution to fund the federal government for the remainder of the fiscal year. It appears that few research programs will be spared from having their 1988 budgets reduced, however.

At the moment, the government is running under spending restrictions imposed on 20 November by the deficit control mechanism of the Gramm-Rudman law. Agencies are receiving monthly allotments from the Office of Management and Budget that often are below 1987 levels, federal budget officers say.

Spending restraints will be lifted once the budget reduction pact is implemented. Officials across the government, however, are at a loss to guess how their agencies will fare until they receive guidance from congressional appropriations committees. Says one veteran Department of Energy (DOE) budget officer about the disarray, "I have never seen anything like this before."

If applied on an across-the-board basis, congressional analysts say the budget accord would cut 1988 appropriations bills about 3%. In the case of the National Institutes of Health, it would mean the agency could end up with a budget of about \$6.75 billion (including research for acquired immune deficiency syndrome), a net increase of 9.2% above 1987 levels. Without a reduction, the agency would receive about \$6.95 billion.

At press time, House and Senate appropriations committees had not decided whether to apply the reductions equally to all programs or to varying degrees within budget accounts. Committee aides in the Senate expressed a preference, however, for reexamining the energy and water development appropriations bill, which funds many DOE research programs.

Just how House and Senate appropriations committees choose to achieve the required budget reductions can make a critical difference to agencies like the National Sci-

ence Foundation (NSF) and the National Aeronautics and Space Administration (NASA). These two agencies are concerned that they could be subject to disproportionate cuts on the order of 4 to 6%. For NSF, that would mean research grant funding could be held to an increase of 4% above 1987's level of \$1.4 billion. In NASA's case, a large reduction could jeopardize start-up work on the \$15-billion space station.

Officially, the budget compromise would lower the federal deficit by \$30.2 billion, \$7 billion more than required by the Gramm-Rudman law for 1988. This is achieved by imposing \$11 billion in new taxes and reve-

nue-enhancing activities. Another \$11.6 billion is gained in cuts to defense (\$5 billion) and to federal accounts that to some extent have been shielded in the past—medicare, agriculture, student loan programs, and pay-scale provisions for federal workers. Finally, \$6.4 billion is offset by altering Veteran's Administration loan policies and through the sale of federal assets.

The resulting federal deficit would be about \$149 billion, according to Congressional Budget Office estimates—\$2 billion higher than in 1987. But aides to the House and Senate budget committees concede privately that the deficit likely will be higher. They note that not all the savings projected in the budget pact, such as asset sales, will be achieved. ■ **MARK CRAWFORD**

Outline of a Defense Budget

After months of debate, Republican filibusters, and threats of a Presidential veto, Congress has finally reached agreement on the outlines of a defense budget for fiscal year 1988 (which began on 1 October). A compromise bill authorizing spending levels and setting out numerous policy directives cleared a House-Senate conference committee on 17 November and appeared to be acceptable to the White House.

The major sticking points—a clutch of arms control provisions that prompted the filibusters and veto threats—were mostly smoothed over to avoid a major policy confrontation between Congress and the White House during the upcoming summit meeting between President Ronald Reagan and General Secretary Mikhail Gorbachev. The resulting legislation is far from the final word on the defense budget—the appropriations committees have yet to have their say—but it will shape many defense programs.

Among the major provisions:

■ **Strategic Defense Initiative (SDI).** The bill authorizes a total of \$3.9 billion for SDI—nearly \$2 billion less than the Administration asked for, but about \$500 million more than the program received last year. Equally important, the bill places restrictions on SDI and requires the Pentagon to produce a sheaf of reports and analyses, some of which could prove troublesome.

The most contentious issue concerns testing of SDI components and systems. Both the House and Senate sought to block the Administration from adopting its controversial "broad" interpretation of the 1972 Anti-Ballistic Missile (ABM) Treaty. Both versions of the defense bill in essence instructed the Pentagon to keep SDI within the tradi-

tional bounds of the treaty. The White House balked, Reagan threatened a veto, and Congress eventually compromised with a provision that accomplishes the same thing—at least through fiscal 1988—but uses language that the Administration could stomach.

Less palatable, at least to U.S. allies, is a provision that prohibits giving SDI contracts to foreign firms or governments in all but a few areas of technology, unless the required expertise is unavailable in the United States.

Congress has also told the Pentagon to produce within 6 months a report detailing the total costs of developing, producing, deploying, operating, and maintaining an SDI system based on heat-seeking rockets and space-based sensors—the so-called early deployment option that has been bandied around but never defined for the past year.

■ **Nuclear testing.** A provision in the House bill that would have placed a 1-kiloton limit on underground nuclear tests was not accepted by the Senate and was not included in the final version of the bill.

■ **Antisatellite (ASAT) weapons.** The Pentagon is prohibited from testing in space a miniature heat-seeking ASAT unless the Soviet Union conducts a test of its own ASAT.

■ **The world after a Euromissile agreement.** Within 90 days of signing an agreement to limit intermediate-range nuclear weapons, the Administration must give Congress a full accounting of the ability of North Atlantic Treaty Organization (NATO) to deter the Warsaw Pact, including a discussion of the conventional balance in Europe and the views of non-U.S. NATO members. ■

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