

NIH Budget Boost Mostly for AIDS

For the second year in a row, the budget of the National Institutes of Health (NIH) will increase by more than 7%. The annual NIH appropriations bill, which Congress is about to sign off on, would allot the institution \$7.152 billion for fiscal year 1989, a 7.3% increase over this year's budget.

The main beneficiary of the increase is AIDS research funding, which jumped by 30% to \$606 million. NIH research not related to AIDS, however, would expand by a modest 5.6% to \$6.5 billion, a gain on par with inflation. The biomedical inflation index is projected to be roughly 5.8% for fiscal 1989.

Under the appropriations legislation, as reported out of a House-Senate conference committee in early August, the budgets of most of the individual institutes mirror the overall NIH increase. The budget of the National Institute on Aging, however, will jump almost 15% to \$223 million.

The bill contains no new major initiatives, except for the hefty increase in AIDS research funding. The budget for the National Institute of Allergy and Infectious Diseases will rise 16.6% largely because of an increase in AIDS research money. Funding for the National Cancer Institute, the largest institute at NIH, would rise 7.2%, an increase that again is largely devoted to expansion of AIDS related programs.

For the first time in 3 years, the appropriations legislation does not limit the number of extramural research grants to be funded. This year's appropriations "give NIH the flexibility to decide the number of grants," says a staff aide to a House appropriations subcommittee. Funding for extramural grants would increase 7.5% over last year to about \$4 billion.

The appropriations legislation does not create any new institutes per se although it provides funds to set up a deafness institute if Congress passes separate legislation authorizing its creation. The NIH reauthorization bill, which is currently under consideration, would establish a new National Institute on Deafness and Other Communicative Disorders by transferring up to \$96 million in funds related to deafness research at the National Institute of Neurological and Communicative Disorders and Stroke to the new institute. The creation of the deafness institute would basically be an administrative change, but is designed to give deafness research more visibility.

The appropriations bill was passed by the House on 8 September and, as *Science* goes to press, is on the floor of the Senate for a

vote. One provision related to abortion in the appropriations bill that was not settled in conference may hold up approval.

The Senate bill includes a controversial provision that allows Medicaid funds to be used for abortions in women who are the victims of rape or incest. The measure is being spearheaded by Senator Lowell Weicker (R-CT). The House bill does not contain this measure because members did not want to muddy the NIH budget negoti-

ations with an abortion issue. President Reagan last week sent a letter to Congress saying that he will veto the appropriations bill if it contains the Medicaid provision. On the House side, the hope is that Senate members will delete the provision when the bill comes up for a floor vote, according to a House staff aide. Whatever the outcome of the Weicker amendment, no changes in the NIH appropriations figures are expected.

■ MARJORIE SUN

China Launch Gets Nod

The Reagan Administration has given tentative approval to allow the Chinese, for the first time, to launch Western satellites. The decision follows a heated debate among federal agencies in recent weeks over whether the Administration should approve Chinese launching of three American-made communication satellites.

The State and Commerce departments have supported approval, but the Department of Transportation, which oversees the Administration's commercial space policy, has vigorously opposed the export. The transportation department has argued that letting the Chinese send up the satellites would pose a national security threat because it would undermine the American launch industry and risk the transfer of sensitive technology.

But last week, the Defense Department knocked the main prop out of the transportation department's argument. Defense Secretary Frank Carlucci, at a press conference in Beijing during meetings with Chinese officials, said that he "did not see this as a national security issue. [The Chinese] have given us all the assurances that we need on safeguarding the technology. It is not a technology transfer issue. It is a trade issue."

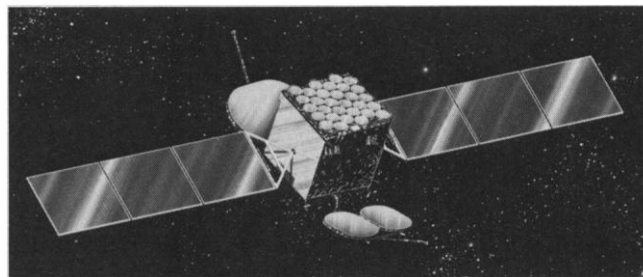
The next day, the State Department issued a statement saying that the Administration would approve the export of the satellites, pending agreements with the Chinese regarding fair pricing of launch services, safeguards to prevent technology transfer, and third party liability. The Administration said that future launches of American made satellites will continue to be handled on a case-by-case basis.

The interagency dispute centered specifically on the launching of three communication satellites built by Hughes Aircraft Company. The Chinese are charging roughly half

as much as American or European launching services, Administration officials say.

Hughes spokesman Richard Dore notes that the Australian government, the purchaser of two of the three communication satellites, stipulated during the bidding process among satellite manufacturers that the Chinese be a candidate for providing launch services. The third satellite was bought by a British-Chinese consortium and will be used by the Chinese. (Hughes, as the manufacturer, must obtain federal approval to export the satellites to China.)

Dore said that China's cut-rate prices are not unusual, pointing out that Western companies commonly offer "promotional" rates when a new service starts up. Nonethe-



less, Hughes' application to export the satellites to China prompted vigorous protests from the transportation department and competing American companies that build launchers, including General Dynamics and Martin Marietta. The transportation department, however, did not object to the fact that a Hughes satellite was launched last week on Ariane, the European enterprise.

China is anxious to woo Western customers to bring in hard currency and to improve its space technology. It began launching satellites in 1970 using the Long March I rocket. It also has launched instrumentation for Western experiments. China hopes to expand its own fleet satellites for communication, broadcasting, and the monitoring of meteorology and natural resources.

■ MARJORIE SUN