

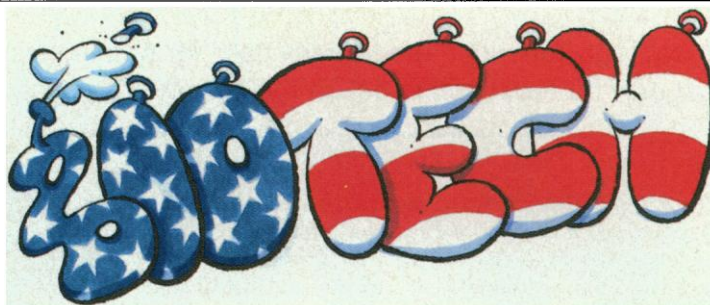
edited by RICHARD STONE

Biotech Stumbles in White House...

Publicly, the Clinton Administration has lauded the U.S. biotechnology industry, most recently at a back-slapping event in San Francisco earlier this week when Vice President Gore met with a dozen industry leaders to reassure them that health care reforms won't stifle biotech investment. But behind the scenes, the Administration is considering killing a program aimed at strengthening federal research that keeps the industry robust. The White House Office of Science and Technology Policy (OSTP) may ax a biotech initiative that then-President Bush launched last year.

The \$4.3 billion biotech initiative is one of six programs run by the Federal Coordinating Council for Science, Engineering, and Technology (FCCSET) to consolidate research across agencies and focus it on Administration priorities. But unlike other multi-agency initiatives, this one is dominated by a single agency, the National Institutes of Health (NIH), which has resisted FCCSET's agenda, Administration officials say.

Biotech observers and OSTP officials insist the loss of the initiative should have little practical fallout. But coming on the heels of the puny increase proposed for the NIH budget—the Administration has requested less than the cost-of-living rise for 1994—



TERRY E. SMITH

biotech analysts say OSTP's deliberations reflect a lack of strong biomedical-policy leadership in the White House. A final decision on the initiative is expected later this month, when OSTP wraps up an evaluation of FCCSET.

...And Suffers a Blow In Congress

The slumping biotechnology industry is in danger of losing a tax break it was looking forward to receiving this year. The setback came last week, when a Senate committee failed to approve a loophole wedged into the budget bill that would encourage investors to put their money into startup technology companies.

Investors have shied away from biotech this year, partly because a few drugs have stumbled in clinical trials, and because President Bill Clinton has hinted at price controls on new drugs as a part of his health care reform initiative (*Science*, 14 May, p. 908). Yet biotech firms still hoped that a proposal by Senator Dale Bumpers (D-AR) and Representative Rob-

ert Matsui (D-CA)—designed to rekindle Wall Street's interest in high-tech firms—might improve their fortunes. Bumpers and Matsui added a provision to the omnibus budget bill, calling for a tax break on capital gains earned from the initial \$100 million invested in any fledgling high-tech company.

But last week the Senate Finance Committee deleted the measure, a staffer says, in order to increase federal revenue. If the Bumpers-Matsui provision stays dead, "it will further erode the currently poor situation for raising funds in the high-tech industry," predicts Lisa Raines, vice president for government relations at Genzyme, a biotech firm in Cambridge, Massachusetts.

Raines and others still hope the provision may land on Clinton's desk. Because the House passed a version of the budget bill that includes the provision, investors in high-tech businesses hope to see the proposal reappear later, when the final budget bill emerges from a House-Senate conference later this summer.

HHS Taps Next NIH Director

The White House has approved a Department of Health and Human Services (HHS) decision to nominate Harold Varmus as director of the National Institutes of Health (NIH), according to a government official close to the selection process. Varmus, a Nobel-Prize winning virologist from the University of California, San Francisco, now faces a Senate confirmation hearing expected to take place later this summer.

ORI Rulings: Naming Names

It's not the usual *Federal Register* fare—a list of 14 scientists the U.S. government has found guilty of scientific misconduct, as well as details of their cases. But the misconduct marquee published on 21 June serves as a billboard of coming attractions: The federal Office of Scientific Integrity (ORI) now plans to publish the names of all researchers it finds guilty, as each case is closed.

ORI staff told *Science* that it was a difficult decision to publish these names. ORI director Lyle Bivens, who announced the new policy at a meeting on plagiarism held at the National Institutes of Health (NIH) earlier this week, says he was uncomfortable at first with the public airing. The instinct to deal with the cases quietly "is a psychological hurdle that we have to get over," he says.

Bivens got some support for his open approach at the plagiarism meeting, where many scientists and policy makers said they agreed that exposing misconduct cases to public scrutiny may help prevent future abuses. But not all at ORI applaud the new policy. One staffer told *Science* that some officials have complained that publicizing the list might end scientific careers in cases where the offense could be construed as relatively minor.

Besides appearing in the *Federal Register*, the list will run in NIH's Guide to Grants and Contracts, in press releases, and possibly in ORI's own newsletter.

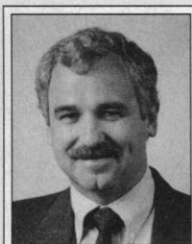
Galas to Leave DOE for Biotech Company

In a move that has surprised the genome research community, Darwin Molecular Corp., a young biotechnology company based in Kirkland, Washington, on 21 June announced it had appointed David Galas, head of the Department of Energy's (DOE) genome project, as vice president for research and development.

Galas, a molecular biologist, left the University of Southern California to become DOE's associate director of health and environmental research in April 1990.

At DOE, Galas has overseen a \$343 million research program that includes studies on climate change, structural biology, and the health effects of radiation.

But what has thrust Galas into the limelight is his leadership of DOE's \$65 million genome project, part of a \$171 million effort done in tandem with the Na-



David Galas

tional Institutes of Health (NIH). "He certainly has had a major impact on the DOE research program," says Elke Jordan, deputy director of NIH's National Center for Human Genome Research. She says cooperation on genome research between the agencies has "definitely improved" since Galas assumed command.

"I regret giving up the opportunity to return to academic life," Galas says, "but this was a particularly exciting opportunity." He will head up research at Darwin,

which was launched last year under the guidance of such biotech superstars as Cetus cofounder Ronald Cape and University of Washington biologist Leroy Hood. The company intends to sequence genes involved in human disease as a springboard to develop drugs for cancer, AIDS, and multiple sclerosis.