

SCIENCE AND TECHNOLOGY PROGRAM - USA

been abundant signs that the decade-long US economic expansion is, if not coming to an end, at least entering a period of slower growth. Historically, industrial R&D has closely tracked the business cycle, so an economic slowdown may lead many companies to curtail their R&D activities. There is some question, in terms of the "new economy", whether this historical correlation will hold up in the next economic slowdown or recession.

The new Administration's corporate-style management, introduced by President Bush, will influence how S&T policy is formulated. There are indications of a S&T performance review; the role of federal funds, federal laboratories, universities and industry, and how efficiently they are interlinked, is being questioned by Congress. The Chair of the House Science Committee, Sherwood Boehlert (R-NY), in his first public speech said "I want the (House Science) Committee, early on, to take a serious look at the balance within the federal research portfolio". In a reference to the funding balance he also said "It's a case that is going to have be made agency by agency, as well as in general terms". It is early days yet in the Bush Administration, but looking at the information so far – no signs of the nomination of a science advisor to the President, initial legislation in the Bush tax reduction package to make R&E tax credits permanent, no replacement of political appointees at the Office of Science and Technology Policy (OSTP), Boehlert's first speech talking about a review of federal laboratories – it seems Administration policy will promote industry and university alliances at the expense of federal programs. Bush's decisions on R&D defence spending will likely emerge after a tough fight on overall defence policy priorities, this subject to the review and direction-setting of US foreign policy. Issues relating to non-defence spending are more complex, although it is less likely major overall S&T budgets cuts will occur, rather more selective cuts and some additional funding.

However, a Washington Post article of February 10, 2001, "Bush Is Aiming To Cut Spending", reviews information obtained from Administration and GOP Congressional sources. The article contends: "President Bush is preparing a budget that would require cuts affecting virtually every agency but the Defense and Education departments as he seeks an end to the rapid growth in government spending." It continues: "The cuts in spending from projected levels could total from \$2 billion to \$5 billion in the fiscal year that begins Oct. 1 (2001) and would affect agencies ranging from the departments of Interior, Energy, Justice and Housing and Urban Development to the Federal Aviation Administration".

Congress continues to tackle the sometimes thorny issues of E-commerce policy. In fact the first Bill introduced by members of the House Science Committee is to assist SME's, by organising an advisory panel made up within the Department of Commerce, from its Technology Administration and the National Institute of Standards and Technology's (NIST) Manufacturing Enterprise Program (MEP). The panel will produce a report and a pilot program to integrate SME's in to the e-commerce environment with manufacturers from major industries. The recent Brookings report on E-commerce and the US economy concludes "The Internet will produce significant cost savings in many sectors of the economy, resulting in faster productivity growth.