US research tax credits

Congress welcomes new law

Washington

FAR-reaching legislation designed to encourage American high-technology industries and to provide better research facilities at universities will be high on the agenda when Congress reconvenes in January. After lengthy talks with the Treasury and with private industry, Senator John Danforth (Republican, Missouri) has introduced a bill offering new tax advantages to businesses that increase their investment in research and development and donate scientific equipment to universities.

One of the main objectives of the bill, the High Technology Research and Scientific Education Act, would be to extend the system of tax credits for research and development introduced in 1981 and due to expire in December 1985. The existing system, which has proved immensely popular with industry, offers tax incentives to businesses able to demonstrate a significant increase in their research spending. The new bill would make the credits a

permanent part of the tax code and would allow newly-formed companies to qualify.

The bill also proposes using tax benefits to encourage industries to sponsor basic research by universities. Corporations supporting basic research in universities would be able to write off against tax some 25 per cent of the value of any payments they make to universities above a basic "maintenance-of-effort" floor. The floor would be calculated as either the average payment to universities by the corporation over a three-year period or one per cent of its average research budget.

Finally, the act would extend the scope of the tax credits already available to companies contributing scientific equipment to universities. Equipment used for education rather than research would be eligible for the first time, as would computer software. And companies donating repair and maintenance contracts along with the donations would be able to include those costs in their tax credit claims.

Peter David

Hazardous chemicals

US agency loses further friend

Washington

The Reagan Administration is taking action to rebut charges that it has neglected occupational safety. The Occupational Safety and Health Administration (OSHA) last week announced wide-ranging new regulations that will require companies to give employees more information about hazardous chemicals used in the workplace. Thorne Auchter, OSHA's director, claims that the regulation will cost manufacturers some \$600 million and represents the most significant regulatory action in the agency's history.

The regulations, which will cover 14 million employees in some 300,000 companies, will be phased in over three years. By November 1985, manufacturers and importers of chemicals will have to carry out a formal assessment of the hazards of the chemicals they sell. Their products will have to be clearly labelled with the chemicals' names and appropriate hazard warnings; and data sheets will have to be supplied with details of the chemicals and appropriate safety measures.

By 1986, all manufacturing industries will be required to have labelled chemical containers and developed extensive training and educational procedures for their employees. Companies will have to produce written plans for their training and communication efforts.

Promulgation of the new regulations comes at a time when the Reagan Administration and OSHA in particular have come under mounting criticism. Auchter pointed out that the regulation came only

three weeks after the publication of a temporary emergency standard reducing the previous permissible level of exposure to asbestos fibres by 75 per cent.

But criticism of OSHA's record on occupational safety is likely to continue. The announcement of the hazardous chemical regulations was immediately followed by a lawsuit in which AFL-CIO (the body that represents US labour unions) and individual unions representing steel, chemical and automobile workers challenged what they described as a "giant loophole".

AFL-CIO complains that the new regulation embodies provisions under which companies could refuse to divulge the nature of a chemical in order to protect a trade secret, although the information could be demanded in a health emergency.

The regulation's critics also point out that the new rule does not cover service industries and that it preempts existing state laws which are often stricter.

OSHA has already had a difficult time under the Reagan Administration. At congressional hearings last September, Auchter came under strong attack for having delayed action to regulate ethylene dibromide, a widely used fumigant and a potent animal carcinogen. In testimony, Auchter explained his failure to act by claiming that OSHA could not have made an emergency regulation stick in court — a claim contradicted by OSHA documents unearthed by congressional investigators (see *Nature* 22 September, p.263).

Peter David

UK research councils

Making do with less

PROFESSOR John Kingman, chairman of the UK Science and Engineering Research Council (SERC), said last week that important scientific opportunities are being lost in order to save relatively small sums of public money. Launching the council's annual report for 1982-83, Professor Kingman seemed chiefly concerned with how independent investigators could keep their projects alive when funds are short and costs increasing.

Although it is not yet known what proportion of next year's science budget will be allocated to the council, the Advisory Board for the Research Councils last year recommended a gradual transfer of funds from other research councils to SERC. But more immediate problems, chiefly the cost of paying subscriptions to international organizations, mean that SERC is far from optimistic.

One way, Kingman says, to improve the provision for strategic research would be to persuade more industrial companies to become involved in projects such as the Alvey programme in information technology. This programme, supported by the Department of Trade and Industry and industrial companies, has now started definition studies for four large-scale demonstration projects, and others will soon be commissioned.

In other areas, such as ground-based astronomy and synchrotron radiation, the council hopes to develop more links with European partners. But Professor Kingman warned that Britain is in danger of getting out of step with potential collaborators: while most European countries are increasing their support for basic science, Britain is increasingly looking for immediate results.

Kingman defended the role of the SERC as a provider for research in universities and polytechnics rather than as a source of ideas for British industry. It was, he said, essential for the future of science in Britain that long-term building projects should not be curtailed.

The contraction in the universities has not apparently reduced the number or the quality of research grant applications to SERC. But the proportion of grant applications that the council can support is decreasing, and its Science Board will soon be rejecting 30 per cent of the top-grade proposals that would normally be assured of support. The board supports training and research in core areas of British science: biology, chemistry, mathematics and physics.

During the past year the board has changed the way it allocated research grants. It is now taking an active role in developing research themes that it wants to support, rather than responding passively