The 1972–75 Budgets

Not until 1975 (according to the report the President’s Council of Economic Advisors sent to Congress in February) is the gross national product likely to be substantially above foreseeable claims on the nation’s income. Although the GNP is expected to be $268 billion greater in 1975 than in 1969, a larger population, increased medical costs, and other built-in increases will require almost all of the greater total. Specifically, the Council of Economic Advisors expects foreseeable claims to use up all of the GNP in 1970, 1971, and 1972, and to require all but $3, $6, and $12 billion in 1973, 1974, and 1975, respectively. Moreover, the $12 billion surplus in 1975 may get smaller as 1975 comes closer, for between now and then new claims will be staked out. The situation may be as tight in 1975 as it appears now for 1971.

The Council projects an increase in federal expenditures from $189 billion in 1970 to $206 billion in 1975. Economic conditions, tax rates, the nature of military activities, and other variables may, of course, make the actual figures somewhat different from these projections. Nevertheless, it is within this budgetary situation—one so cramped as to allow little room for maneuvering—that future research funds must be considered. The President’s budget for 1971 calls for $15.8 billion of R & D funds, an amount which constitutes a smaller percentage of the total federal budget than in any year since 1959. Research and development funds hit a high of 12.6 percent of the federal budget in 1965 and have been decreasing at an average rate of 0.8 percentage point a year, to 8.7 percent in 1970 and a requested 7.8 percent in 1971. Any statistical projection of R & D funds for the next several years looks bleak, and there is little that can be done to improve matters for the coming year.

There is, however, some room for growth and perhaps more for shifts in priorities in the next few years, as demonstrated in the 1971 budget, which asks for $700 million less for development and $260 million more for basic and applied research than was appropriated in 1970. It is time for general consideration of how such funds as may become available in the next few years can be most productively used. Widespread reports of the damage to universities and to the nation’s research accomplishments and prospects that has resulted from recent cutbacks and slowdowns have already begun to appear. These reports constitute important signs, but they are not sufficient. What is needed, as a basis for a vigorous effort to secure more adequate funding in the future and for the establishment of priorities, is objective analysis of these reports and the gathering of as much additional factual information and informed judgment as can be collected on how and where recent R & D cutbacks are most seriously damaging the nation’s future prospects.

The Council of Economic Advisors has given fair warning that they see no slack in the GNP or in federal funds for the next several years. As always, claims for the nation’s scientific welfare will have to compete with other claims. It is therefore urgent to develop as solid an evidential base as possible if the R & D budgets of 1972 through 1975 are to be more satisfactory than those of 1968 through 1971.—DAEL WOLFE