

[388] 4. Professional and technical societies:

Funds supplied, 1953-54.....	\$2. 14 m (illion), 0. 04%
Later, 1957 ³⁷⁰	\$0.6 m.
Performance, general R&D, 1953.....	\$1. 0 m.
Performance, general R&D, 1957 ³⁷⁰	\$4. 7 m.

These societies are more important for organization and communication within their groups, than from their direct work of invention. We have added to 71 responding societies the 20 research-educational cooperatives of more specialized function, contributing half as much, and have sought to eliminate social science, agriculture, etc., and leave only the work for invention and its confluent sciences.³⁷⁷

[389] 5. Trade associations:

Funds supplied, 1953-54.....	\$14. 2 m (illion), 0.25%
Latest, 1957.....	\$20. 0 m., 0.35%
Performance, general R&D, 1953.....	\$5. 3 m.

The inventive and appropriate science research work of these 384 associations, which has been described in Study 21 of the present series,³⁷⁸ we find especially interesting and worthy of vast expansion (chap. 11). For present statistics we have added "37 other cooperative groups" more specialized, and sought to eliminate the work in noninventive and inappropriate lines, as usual,³⁷⁹ and guessed at a repartition of support between commercialism and philanthropy.

[390] 6. Tax benefits:

Hypothetical contribution 1953-4.....	\$844 m (illion), 14.9%.
Later, 1959.....	\$1, 556 m. ³⁸⁰

This is a very important way in which the Government fosters research. Inventions are naturally long-term investments, and the money saved from corporate income and invested in research would naturally be first taxed as income. But since 1954, and in many cases before that, our Government has allowed such investments to be "expensed out" before reckoning corporate income, unless the money was spent for capital equipment. Eliminating this last, we get a tax deduction of \$1,262 million on company research in 1956,³⁸¹ which if the same proportions had held in 1953-4, would have produced \$844 million. Some of it would come back to the Government through researches planned for civil ends but turning up something useful to the Government. Unincorporated inventors do not enjoy this privilege, but a wealthy patron can back them "without much risk or too much tax."³⁸² If such a backer wins, it will be capital gains, with maximum 26% tax, and if he loses he can deduct all from his ordinary income, without the \$1,000 limitation. One might also think of the tax exemptions to foundations, trade associations, professional societies, and universities, the postal subsidies on their publications, and income and inheritance tax exemptions on their supporters' gifts, bequests, and dues.

[391] 7. Foundations and other nonprofit research institutes:

Foundations, funds supplied, 1953.....	\$5 m (illion), 0.09%.
All nonprofit research institutes, including State and local funds, 1953-54.....	\$35 m., 0.62.%.
All nonprofit research institutes, including State and local funds, latest, 1957-58.....	\$61 m.
Lately, foundations and institutes only, 1957 ³⁸³ ---	\$19 m.
Performance, general R&D, 1953-64.....	\$87 m., 0.65%.