March 26, 1973

Honorable Paul G. Rogers
House of Representatives
Washington, D.C. 20515

Dear Mr. Rogers,

Thank you again for the opportunity to testify on the "National Health Research Fellowship and Traineeship Act of 1973".

As is almost (too) universal, my testimony was prepared in some haste -- and your shrewd colleagues were able to probe some of my conflicts very well in the discussion after my formal statement.

The one thing I am troubled about is the provision for obligatory contingent repayment, which sets a major precedent. I sympathize with its objectives, and would like to see some mechanism for achieving them. However, I think the procedures need to be very carefully analyzed. To raise one simple issue, is the subsidy a non-taxable gift if it has such contingent strings?

What I would advocate is that the present bill simply reinstate the existing program of training grants in the basic sciences. The impoundment issue could be met by entitling the existing programs to continuation until such time as HEW has established procedures for review and award to more qualified successors (if any). This continuation is an emergency measure, say for two years, pending a legislative study of the new directions that these programs might take.

The bill would meanwhile direct the Secretary of HEW TO FORMULATE programs, with consultation with the people (like us) in the field for the implementation of policies designed to further
(1) rationalize and justify the "magic numbers" that Mr. Heinz referred to
(2) assess the degree and manner in which loan-based programs could replace the present grant subsidies. I can see far more equity in a system of repayment based on later income than any other -- and then one has to say, doesn't the progressive income tax already assure the government that it will recapture its investment without further fuss!

In any event, this is an extremely complex matter when applied to the success!

I hope I have conveyed the facts of the way in which science differs from the professions and from business in its economic structure. The professional lawyer or doctor is in the marketplace, exchanging specific services for fees in bargains (more or less hindered) with specific clients. The scientist has foregone that claim -- and there would be too much friction in the knowledge system for this to work any other way. He is

serving, and is paid by, the social system as a whole, for functioning according to his best lights. That patronage, appropriately, goes much further in providing the scientist with facilities for his work than in boosting his salaries.

The salary structure of basic science is such that the people in the very top of the field and say 20 years after their doctorate, barely match the average incomes of doctors after 10. I personally view this as eminently fair bargain, taking account of my love for my work -- but I also have to say that it may appear differently on the average level of scientists' incomes.

In this light, the patronage of would-be scientists during their training is a matter of special social concern. Private scholarships were not remarkable in principle before World War II; the trend of history has inevitably substituted the federal government as patron -- a position of enormous power and also of great responsibility.

Mr. Heinz asked about the "magic number". Of course, it is difficult to give quick answers to this important question. Suppose the director of OMB had, and exercised, the power to eliminate Congressional Staff -- and then demand a rigorous justification for just how large that staff should be? Except that we are far more helpless, we are in a somewhat similar position. The "magic number" is certainly not zero, and its actual levels historically had evolved from year to year in confrontations and compromises with other competing demands. This is by no means to preclude periodic review of the justifications -- hopefully by a process whose assumptions are revealed, and which at least attempts to answer the detailed staff work of the agency.

If the issue is the overall scale of the health research budget, the administration's actions would be more credible -- NIH itself, with vital communication from the knowledgeable people at the front lines, could devise the most conservative strategies to protect the institutions of science from the most destructive impact of economic exigency. The present style of the OMB fiats (which is merely Latin for "DOIT", now - and don't stop to think, which we also hear in other revolutionary contexts) whether intruded or not is likely to result in a radical restructuring of scientific effort whose net harm far outweighs the actual level of overall budgetary reorientation.

Dr. Kornberg said, somewhat melodramatically, that "the lights are going out in laboratories". This is an accurate reflection of the mood of earnest youngsters notwithstanding the relative robustness of the overall R&D budget.

Sincerely yours,

Joshua Lederberg
Professor of Genetics

JL/rr