

the NAS-NRC ruled ineffective by Ke-fauver-Harris standards have yet to be removed from the market (SN: 1/11, p. 33). Edwards declares that he will soon propose a plan for efficiently implementing the Academy's recommendations before all the legal issues are resolved. Panalba is one of the condemned products, and the legal battle surrounding it is whether FDA can regulate it out of existence without a prior hearing.

In another effort to improve FDA's operations, Dr. Edwards, backed by his immediate superior in HEW, assistant secretary Dr. Roger O. Egeberg, will give drug companies advance warning of his intentions to withdraw a product in order to allow what Dr. Egeberg calls "time for mutual planning."

On a yet broader scale, the new commissioner intends to review the 1962 amendments that so increased the scope of FDA's regulatory authority. "We may seek some revisions," he states. The drug industry has few complaints with the laws themselves, but would like to meet with the FDA to review the

HEW

After the veto

Legislation authorizing funds for the Departments of Labor and Health, Education and Welfare under the fiscal 1970 budget has been pending since July 1969 (SN: 1/17, p. 57). The appropriation bill, which affects some 15 agencies under the departments, may become the hottest issue of the election year.

This week, President Nixon vetoed the big money bill on the grounds that it was inflationary, and sent it back to Congress for consideration.

The bill increased the President's original budget by \$1.2 billion, more than \$1 billion of which was funded for education. Health and research funds were increased as well.

The most controversial measure, and the biggest item, concerns the \$600 million requested by Congress for the Impacted Aid Program, which provides education funds for those areas which have a high concentration of Federal installations. The President's budget originally called for \$202 million.

In this area a compromise may be reached. Senate Republican Leader Hugh Scott (R-Pa.) predicts that the Administration will go along with a figure of \$400 million. Mr. Nixon has made no statement to this effect, and thus far has only suggested a temporary solution that would fully fund children whose parents live on Federal installations and partially fund those children whose parents do not.

On other issues, President Nixon

agency's implementation of them. The Pharmaceutical Manufacturers Association, representing 105 of the nation's largest drug manufacturers, has proposed a conference including FDA and PMA spokesmen, as well as a third, "disinterested" party. Though no decision has been reached, the industry feels a positive response is more likely now than it was before.

To avoid repetition of the MSG and cyclamate catastrophes, new procedures will be instituted for directing data on "crisis" items to top management, and decisions regarding drugs and foods will be made with what may be a conservative leaning.

"As the biological and physical sciences probe deeper and learn to measure values even more minutely," Dr. Edwards says, "our common concepts of what is acceptable as safe must change. The time has come for us to agree that the public health cannot be endangered for months or years while we attempt to accumulate all of the scientific data needed for an absolute determination of safety or danger." □

disapproves of the increase in spending for vocational education because "results in student performance have fallen far short of our expectations." On health care he charges that increases are for building community hospitals, despite the growing awareness that ambulatory care facilities are more urgently needed.

One piece of the legislation, though small compared to the other programs, is a \$49-million increase in research funds for the National Institutes of Health over what the President requested. In the early speculation about possible compromises, the NIH increase has not been mentioned, but it might become an issue if the negotiations become tense.

There is a chance, however, that the whole bill may go down the drain. The departments have been operating at a level determined by last year's budget, as authorized by continuing legislation, which is up for renewal at the end of January. If the veto of the budget bill is sustained, the House may go along with the President's substitute proposals, but the mood is otherwise in the Senate, where wounded pride is more pronounced. Says a spokesman for the Senate Democratic Policy Committee, "The Senate may go so far as to send the same bill back to the President for another veto." In that case, with the 1971 budget due this week, the continuing legislation may be merely continued.

POLITICAL SCIENCE

Sharing wealth and authority

American politicians and political scientists are traditionally perplexed by the problem of achieving a satisfactory balance between the powers of the Federal Government and those of state and local governments. Nearly everyone has some objection to the continually expanding range of Federal authority and influence. At the same time, local governments often lack the resources to undertake large-scale public welfare programs, and responsibility for such programs usually lands upon the Federal Government by default.

In his State of the Union message last week, President Nixon faced the problem head-on and unveiled his solution. Sounding not the least bit perplexed, the President announced that the hour of a "new Federalism" had at last arrived. Under the new Federalism, he said, "after 190 years of power flowing from the people and local and state governments to Washington, D.C., it will begin to flow from Washington back to the states and to the people of the United States."

The President did not, however, specify how a reversal of the tides of power was to be accomplished. Indeed, the portions of the State of the Union message concerned with social welfare suggest that on a practical level the problem remains just as perplexing as ever.

Most of the social programs that the President mentioned in his speech will inevitably increase Federal spending, and consequently Federal authority. Whether the \$10 billion pollution control program will amount to a real increase in Federal spending is still being debated. There is no question, however, but that Administration proposals to support local law enforcement agencies will be expensive: The Government expects to double its spending in this area for 1971. And proposed welfare reforms, which Mr. Nixon placed at the top of his list of urgent domestic priorities, will cost the Government an additional \$4 billion annually, at least in their first few years of operation. The annual income of \$1,600 for a family of four that the Administration proposes to guarantee may not sound like a large sum, but it is all the Administration feels it can afford.

Other social programs to which the President alluded in a more general fashion promise to be equally expensive. He deplored, for example, the present trend toward a heavy concentration of the American population in urban areas, and suggested that a new rural environment must be created "which will not only stem the migra-

tion to urban centers but reverse it." In particular, he added, the Federal Government must "assist in the building of new cities and the rebuilding of old ones."

The Administration is not in a hurry to work out the details of a plan for redistributing the population. Nevertheless, says James L. Sundquist, a senior fellow in the division of governmental studies at the Brookings Institution, "no other President has given the idea so much attention." Any such plan, he points out, is bound to involve a heavy investment of Federal money and authority: "It all depends on the Government, and the population problem is of such magnitude that we'll be lucky if we can even slow down the present migration from rural areas to cities, let alone reverse it."

In view of the obvious difficulty of combining a reduction of Federal influence with an increase in national social programs, many observers have already concluded that Nixon's commitment to a new Federalism is mostly rhetorical, as were similar commitments by his predecessors. "A lot of people are unhappy with the idea of Federal control," says Dr. Robert Tufts, an Oberlin College economist, "so 'new Federalism' is a phrase that sounds good."

What it may end up as is a sharing of Federal revenues with the states, and no more.

Administration economists, says Dr. Tufts, are interested in financing welfare programs through revenue-sharing, a process whereby the Government would turn over Federal tax revenues in lump sum to local governments. Such a program would presumably augment the power as well as the financial resources of city halls. "If the new Federalism means anything," he says, "it means revenue-sharing."

Even if revenue-sharing becomes an integral part of the Administration's social policies, it is by no means certain that the result will be a relaxation of Federal control. In fact, says Dr. David G. Tuerck, an economist at the University of Illinois, the result may be just the opposite. Revenue-sharing, he points out, involves consolidating the present Federal grant programs into one large program.

"Such a consolidation means that revenue-sharing may give the Government an even more powerful lever for influencing the states," Dr. Tuerck says. "Instead of threatening to remove a few small grant programs, Federal authorities could threaten to remove the entire program." Like almost every other social program the Government attempts, he suggests, revenue-sharing may wind up as another magnification of Federal authority.

WATER POLLUTION

Dollars and doubts

Since taking office, President Nixon has appeared to come out foursquare in support of cleaning up the environment, and the nation has been waiting to see if money—and regulatory muscle—will match the strength of his public statements. Last year he formed the Committee on Environmental Quality, a cabinet group to report to him on matters relating to the environment. On Jan. 1 of this year, he signed the Environmental Quality Act, which set up an executive office to do the same thing. But the tension-filled wait for the other shoe to drop continues unabated.

Nor was it eased last week, when in his State of the Union message to Congress, the President again appeared to declare war on the nation's rank air, festering water and despoiled landscape. For the most part, he spoke in generalities, without specifying his plans of attack.

Except for water pollution. Here he was a little more, but, as it turned out, not quite specific. He announced a proposal to spend \$10 billion in a five-year program for the construction of sewage treatment plants. After a week of second-guessing by nearly everyone concerned, including legislators and the Federal Water Pollution Control Administration itself, it was still unclear whose money it was that he was talking about.

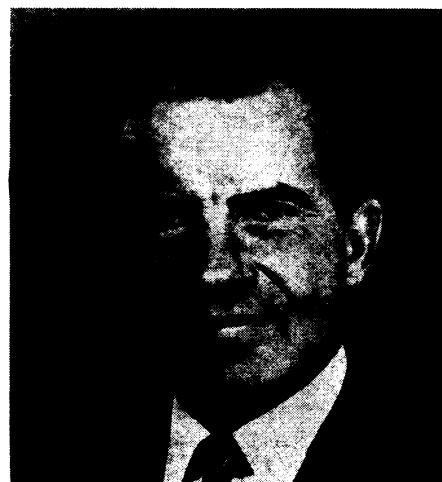
At first it seemed that \$10 billion in Federal money would be out of the question. It was thought that the Administration, through the Federal Water Pollution Control Administration, would supply \$4 billion and the states and local communities would be left to their own devices to come up with the other \$6 billion.

But then Secretary of the Interior Walter J. Hickel threw a monkey wrench into the idea when he declared that it would be a \$10 billion Federal program." He added, ". . . it's going to be our contribution to the total problem."

Hickel's statement, indicating that the Government would foot the entire bill, apparently scuttled the notion that the Federal and local agencies would be sharing in the program. But others are not so sure.

"I still think what will come out will be the Hickel bond plan," says one skeptic.

That plan, which has been snubbed by the Treasury Department and the Council of Economic Advisers, to name a couple, would require that the states and municipalities float bonds to pay for their share. Despite the snub, it seems to be still alive within the Ad-



Nixon: \$10 billion from whom?

ministration.

A problem with the plan is that most states have reached and even exceeded their constitutional debt limits, the amount of money the state constitutions permit them to owe. In addition, the bond market is in bad shape and not likely to improve.

The White House further deepened the mystery of how the program would be paid for by saying a "new method of financing" would be used.

This prompted one Federal Water Pollution Administration official to say, "If that's the case, then they must have come up with something different. I'm baffled."

And he is not alone. Sen. Hugh Scott (R-Pa.), who will submit the actual Administration bill for the \$10 billion program, has said that the polluters must pay, indicating that some kind of prorated effluent tax might be proposed. Tax relief for the construction of industrial pollution control facilities has already been enacted (SN: 12/27, p. 589), and the two ideas often go hand in hand.

Even Scott's office was in the dark as to what would emerge. All one staff member could say was that "the final legislative details were not hammered out . . ." and that representatives from Congress and the Department of Health, Education and Welfare and the Department of the Interior were working out the details.

Although the mystery should be thoroughly cleared up when Mr. Nixon gets through delivering his budget and environmental messages to Congress, there will still be one important question unanswered: Will the \$10 billion be enough?

Sen. Edmund S. Muskie (D-Me.), chairman of the Senate Subcommittee