

## References

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## NEWS AND COMMENT

# Federal Health Programs: A Major Reorganization Is Under Way

A significant reorganization of federal health services has been approved by President Johnson as part of the third major effort in this decade to bring the sprawling, rapidly growing federal health establishment under better administrative control. Previous attempts at reorganization are said to have misfired somewhat, but federal health planners believe this latest effort will result in better coordination of federal programs and in more rational relationships with universities, medical schools, state and local agencies, and other nonfederal health organizations. As a result of the changes, the Public Health Service (PHS), an agency with a tradition dating back to 1798, has virtually passed out of existence.

The need for reorganization arises from the dramatic change in size and scope of federal health activities that has occurred in the 1960's. Federal expenditures on health have increased almost fivefold since fiscal year 1961, largely because of the Medicare and Medicaid programs, but also because of new programs in health manpower, environmental health, consumer protection, and the delivery of health services. Moreover, the emphasis of the federal program has changed. In fiscal 1961, more than two-thirds of federal health expenditures went to provide care for military personnel, veterans, their families, and others, while less than one-third was expended for health services for the general population. In 1969 the reverse is true—well over two-thirds will be expended to benefit the total population. These changes in size and focus "impose a greatly increased and changed demand on already overtaxed health resources," according to a re-

port to the President by Wilbur J. Cohen, Secretary of Health, Education, and Welfare (HEW).

Two previous efforts to gear up the federal health establishment to meet its increasing challenges apparently failed to meet the need. In the early 1960's, a task force within the Public Health Service (PHS) recommended numerous changes, including establishment of a major bureau to cope with environmental health problems, but legislation to effect the changes got caught in congressional tangles and was never enacted. Then, when John W. Gardner, noted for his ideas about organizational "renewal," became secretary of HEW in the Johnson administration, a successful attempt was made to reorganize the PHS along lines suggested by a committee headed by John J. Corson, a management consultant at Princeton University (*Science*, 17 June 1966). Less than 2 years after that reorganization had been proposed to Congress, however, HEW officials and Corson were planning still more changes. Top HEW officials say the first reorganization was headed in the right direction but simply didn't go far enough. However, one leading health planner says the first reorganization "didn't make any sense anyway—they just sort of stirred things around and renamed some bureaus."

The chief features of the latest reorganization effort, involving changes announced within the last few months, include a plan for greater government-wide coordination of federal health activities and an internal reorganization of HEW's own health programs.

The general outline of the internal reorganization is said to have been

written into the President's health message this year, but was cut out before the message was delivered on 4 March. Instead of announcing reorganization plans, the President simply directed the secretary of HEW to "submit a modern plan of organization to achieve the most efficient and economical operation of the health programs of the federal government." In the wake of that directive, Secretary Cohen has been periodically announcing organizational changes.

The plan for greater government-wide coordination of health programs was approved by President Johnson in mid-June. The President announced that he would designate Secretary Cohen, by executive order, his first chief adviser on health policy and programs and would make him responsible for coordinating the often conflicting health policies of federal agencies.

Cohen's report recommending such a step had noted that, although HEW administers some 70 percent of all federal expenditures for health, it does not exercise policy guidance over the broad federal health effort. The report warned that "important and far-reaching decisions are being made pertaining to federal health programs without adequate attention to their impact on the total federal effort and its goals." There is no broad consideration, for example, of whether the drafting of physicians to care for civilian dependents of the military in this country is a wise use of "the critically scarce physician pool." Nor is there broad consideration of the wisdom of providing expensive kidney dialysis through veterans' hospitals without making it available to the general population; or of the relative importance of competing research programs in different agencies that depend on the same supply of scientific talent.

In attempting to bring more unified direction to the entire federal health enterprise, Cohen will establish and head a new Federal Interdepartmental Health Policy Council composed of ranking representatives of the various agencies that play substantial roles in the health field. Such interagency

## British Drop Out of 300-Gev

*Geneva.* European Organization for Nuclear Research (CERN) plans to build a 300-Gev accelerator suffered a serious setback last week when the British government withdrew from the project.

The immediate reaction of the CERN council, which includes both scientists and government representatives, was to close ranks and seek ways to save the project. The salvage effort is likely to take the form of a revised design which will retain the main features of the proposed machine but reduce the estimated \$350-million cost of the project by one-fifth, the approximate British share. A CERN working group will undertake the revision.

It is impossible at this point to predict the reception for a revised project. Britain's withdrawal deflates the spirit of the European effort to match U.S. and Soviet work in particle physics research. And the attitude of the French, who earlier declared their readiness to participate in the project, is uncertain, since financial consequences of the recent civil disorders may cause them to reexamine their international scientific commitments.

According to a British statement, the government "was particularly concerned with the effect which participation in this project might have on the balance of resources between high energy physics and other scientific activities and . . . also had to review the implications of the devaluation of sterling."

It was known that devaluation and the related cut in government expenditure had put pressure on the British science budget. News of British withdrawal, however, rocked the CERN council, since it was also known that British participation in the 300-Gev project had won endorsement from the government's science advisory apparatus. The incident illustrates how science-policy advice can be trumped.

—JOHN WALSH

groups generally have limited authority (it's hard for one cabinet officer to tell another how to run his programs), but top HEW officials told a press conference that Cohen should be able to play a "strong coordinating role" that is "not directly analogous" to any other coordinating or advisory role in the U.S. Government. As of this writing, the language of the executive order spelling out Cohen's authority had not been put in final form.

The internal reorganization of HEW's own health programs has been instituted in several stages over the past few months. In March, Cohen announced that Philip Lee, assistant HEW secretary for health and scientific affairs, was being given direct authority over the Public Health Service and responsibility for coordinating the policies of other health programs, such as Medicare, Medicaid, and the health activities of the Children's Bureau. This insured that a political appointee (the assistant secretary) would have authority to implement the administration's health policies without having to

work through the heretofore more or less independent professional bureaucracy headed by the surgeon general.

Subsequent changes have resulted in the creation of three major health agencies, all reporting directly to the assistant secretary rather than to the surgeon general.

The first is the National Institutes of Health, which was elevated in status in early April and given its long-desired divorce from the surgeon general's office. The agency was enlarged to include the Bureau of Health Manpower and the National Library of Medicine, NIH's educational activities being thereby placed on an equal footing with its research functions. In general, the change brings together in one agency the principal health activities dealing with medical schools and universities, a step which had been sought by NIH and by bewildered university officials who complained of having to run to many different, and sometimes conflicting, federal offices for support. James A. Shannon will continue to head NIH until his retirement.

The second major agency to emerge from the reorganization is the new Health Services and Mental Health Administration, whose creation was announced in early April. It has jurisdiction over programs involving the provision of health care to individuals. These include programs for control of chronic and communicable disease; health statistics; direct health services for merchant seamen, Indians, and others; and the National Institute of Mental Health. The inclusion of the phrase "and Mental Health" in the title of the new agency is a testimonial to the political clout of the mental health forces, who feared they would lose visibility if NIMH were swallowed up in a new agency. In mid-June Cohen announced that the regional medical programs on heart disease, cancer, and stroke would also be transferred to the new Health Services agency from NIH, a move which had been expected once NIH got the program off the ground. The administrator of the new Health Services agency is Robert Q. Marston, who has headed the heart, cancer, and stroke program.

The third major agency, announced in mid-June, will be the new Consumer Protection and Environmental Health Service. It will include the hitherto quasi-independent Food and Drug Administration; the national centers for air-pollution control, radiological health, and urban and industrial health; and certain other staff units. The new agency, which will be created on 1 July by executive order, will be the first separate high-level agency established by HEW to attack environmental problems. Some health planners believe the 1966 reorganization of PHS erred by lumping environmental problems and disease prevention into a single bureau. The first head of the new agency will be Charles C. Johnson, Jr., a professional engineer with long PHS experience, who is currently on leave serving as New York City's assistant commissioner of health for environmental health. Johnson will become the highest ranking Negro officer in PHS history.

The Food and Drug Administration, which had previously reported directly to the HEW secretary, has lost some ground on the organizational charts as a result of being included in the new environmental agency—a downgrading which is said to be causing some concern among FDA's friends in Congress. But Lee told reporters the precise placing of FDA on the new organiza-

tional charts is less significant than the fact that FDA's programs will be expanded under the reorganization.

The biggest casualty of the reorganization seems to be the old Public Health Service. Lee said that PHS now amounts to a "holding company" which includes the three major operating agencies—NIH, Health Services, and Consumer Protection. But the administrators of these agencies report directly to Lee, while the Surgeon General, previously the head of PHS, has become an assistant to Lee. As Ivan Bennett, Jr., deputy director of the president's Office of Science and Technology, sees it, "The PHS exists as a personnel system, the members of

which are entitled to wear uniforms, but as a public health service agency it has almost ceased to exist." In the long run, the uniformed personnel system is also in danger, for long-pending plans for a "federal health service" would absorb the old PHS commissioned officers corps.

The latest reorganization of health activities, as is the case with virtually all reorganizations, is expected to spark some opposition. Present and retired PHS officers are not likely to be happy. And various congressmen are already sniping at aspects of the plan. But unhappy congressmen have little direct control over the reorganization. All the steps can be carried out by executive

authority except for a proposal to elevate the assistant secretary for health and science to undersecretary. Congress failed to act on a proposal to create an undersecretary last year.

Meanwhile, the reorganization mill will continue to turn, for Cohen has said there will be further study of federal activities in the pharmaceutical field, in maternal and child health and family planning, in international health activities, and in health programs for the poor, with a view to possible coordination and reorganization. And with a new administration scheduled to take office next January, there is always the possibility of yet more changes.—PHILIP M. BOFFEY

## Continental Shelf: Scramble for Federal Oil-Lease Revenues

The rapidly growing federal revenues from the leasing of outer-continental-shelf lands for the recovery of oil and gas are being eyed by increasing numbers of eager claimants. In fact, the supposedly long-since-settled "tidelands" oil controversy of the early 1950's seems about to be reopened. The rising interest in the continental-shelf revenues is evident from recent Senate debates over legislation to earmark part of them for the federal Land and Water Conservation Fund.

The Fund, established by Congress in 1964 to provide for the purchase of land for new national parks and other federalized state outdoor recreation areas, is now critically short of money. Under the proposed legislation the Fund would get about one-fifth of the annual outer-continental-shelf receipts, which have totaled (on the average) \$265 million a year over the past 5 years but which are expected to nearly double during the next 5 years. Unless a dependable new source of revenue for the Fund is found, important conservation efforts, such as those to preserve major stands of coast redwoods and to expand national and state park systems, will be severely retarded.

Yet, in late April, Louisiana's sena-

tors, Russell B. Long and Allen J. Ellender, persuaded the Senate not to earmark any of the continental-shelf receipts for the Fund. Their success was due in no small part to the feeling of many senators that it is bad budgetary practice to commit particular revenues to special purposes. The principal motive of the Louisiana senators, however, was to keep all these revenues available for earmarking schemes of their own. They want these revenues earmarked partly for Louisiana and other coastal states adjacent to oil- and mineral-rich lands of the outer continental shelf and partly for the support of research, exploration, and development in the field of marine resources. They would, in effect, undo the 1953 settlement concerning federal rights versus states' rights in the continental shelf.

By the terms of that settlement, which followed years of legislative struggle and two presidential vetoes, Congress gave the coastal states ownership and control of that part of the shelf extending a distance of 3 miles offshore (or a greater distance if historic boundaries justified it). On the other hand, that part of the shelf beyond the 3-mile or historic boundary

was to be under federal ownership, and revenues derived from oil and gas and mineral leases in this region were to go into the general revenues of the Treasury.

The earmarking of part of these revenues for the Conservation Fund is strongly advocated now by the Department of the Interior, which administers both the Fund and the outer-continental-shelf lands. It would be the first earmarking of these receipts for any purpose, and is thus regarded by Long and Ellender as an important precedent.

As this is written, it appears that the opposition of the Louisiana senators will be overcome, however, and that the Fund will share in the continental-shelf revenues. The Senate now seems to be responding to the Fund's evident need and to the political strength and ardor of the conservation groups. Some senators have received hundreds of letters urging them to support the earmarking of shelf revenues for the Fund.

On 18 June, the Senate rejected, by a vote of 69 to 13, Senator Long's proposal to have the Senate appoint conferees who, in meeting with House conferees on the Conservation Fund bill, would insist on upholding the Senate position against earmarking. The conferees actually named were expected to accept the House-passed bill's 5-year allocation of about \$100 million of continental-shelf revenues each year to the Fund.

Following the vote on the appointment of conferees, Long and Ellender had all but given up hope of stopping the earmarking, and no major effort