Hatch Supports Arthritis Institute

Senator Orrin Hatch (R–Utah) on 20 August announced his support of a bill creating a new arthritis institute. His action virtually assures congressional authorization of the institute despite opposition by the National Institutes of Health (NIH) and other biomedical groups. Critics of the measure viewed Hatch, chairman of the Labor and Human Resources Committee, as the last hope for blocking the proposal (*Science*, 13 August, p. 610).

NIH director James Wyngaarden has contended that establishing a new institute is both fiscally and scientifically unjustified. He and others argue that arthritis research should continue as part of the National Institute of Arthritis, Diabetes, and Digestive and Kidney Diseases.

The list of Senate cosponsors of the bill, including Hatch, now totals 43 and Hatch's support is expected to garner more votes. The measure was originally introduced by Senators Barry Goldwater (R–Ariz.) and Alan Cranston (D–Calif.).

Hatch had been on the fence for a month before he decided to back the proposal. He said in a speech on the Senate floor, "This is a complex issue and there are good arguments on both sides of the proposal." But, he added, a new institute would be the best way to give arthritis and musculoskeletal research the visibility it deserves. Hatch faces a tough reelection battle this year, and the arthritis proposal could figure in the campaign.

Hatch tried to defuse arguments set forth by NIH and others opposed to the institute by proposing that the Senate Appropriations Committee set aside $5 million to cover administrative start-up costs for the new institute. NIH has contended that initial overhead costs would add up to $4.8 million and the money would have to be drawn from biomedical research funds. The senator also proposed that a moratorium be placed on the establishment of any additional institutes and that an ad hoc group conduct an 18-month study on whether the structure of NIH needs revamping. NIH has argued that the addition of another institute to the existing 11 will invite a proliferation of proposals for the creation of other institutes.

Wyngaarden in an interview called Hatch's appropriations proposal "a poor expenditure of $5 million."

Goldwater is to reintroduce his institute proposal as an amendment to the Senate NIH reauthorization bill. The House version of the NIH reauthorization bill, which includes the institute measure, has passed through committee and is now awaiting floor action where it is likely to pass as well. The House and Senate proposals for the arthritis institute are very similar, leaving little, if any, room for compromise. They differ in one respect. In the Senate version, the review of NIH would be conducted by an ad hoc group of seven persons appointed by the President. Four members would be selected from the biomedical and behavioral sciences and three from the general public. The House bill authorizes the Institute of Medicine to evaluate NIH.—***Marjorie Sun***

Bills Proposed to Curb Export of Technology

Last January, Admiral Bobby Inman, then deputy director of the Central Intelligence Agency, predicted that if technology transfer to Communist countries continues at its current rate, Congress will be forced to take legislative action to stop what Inman called "this hemorrhage." Bills have been introduced in the House and Senate to do just that.

Their aim is to set up a new agency, called the Office of Strategic Trade, to take over the role in controlling exports now assumed by the departments of Commerce, Defense, and State. The Senate bill was introduced on 12 August by Jake Garn (R–Utah), and the House version was introduced by Robin Beard (R–Tenn.).

One of the aims of the bills is to clamp down on exports now allowed by the Commerce Department. Garn, in introducing his bill, spoke of the conflict within the Commerce Department over its dual role in promoting trade and preventing technology transfer. Because of this conflict, said Garn, "Commerce does not and will not devote adequate priority and resources to export control."

Beard, in a letter to his colleagues in the House, expressed similar concerns and added that the State Department, too, may be overly lax in its export policies. "The State Department is similarly constrained by foreign policy concerns—concerns which unwittingly affect export control decisions," he wrote.

It is highly unlikely that either bill will get very far in this Congress. But the introduction of the bills indicates that Inman's prediction of eventual legislative action may be accurate.

—***Gina Kolata***

Another Biotechnology Company Bites the Dust

The Armos Corporation, a South San Francisco company specializing in agricultural biotechnology, has filed for bankruptcy, leaving its 33 former employees without jobs and owing them 2 months' back pay. "Basically, we ran out of money, but the breakup had some ugly features," says one former Armos scientist.

What happened to Armos could become a depressingly familiar saga, as fledgling biotechnology companies run through their start-up capital and find themselves without any products to generate revenue. Many of the some 200 companies launched during the past 2 years are beating the bushes for capital, and at least two—Armos and Southern Biotech—have now gone under and left their employees in the lurch (*Science*, 4 June, p. 1076). And even some of the larger companies are having severe cash flow difficulties. The Genex Corporation of Rockville, Maryland, for example, is so strapped for cash that it has decided to risk going public in the current chilly financial climate (*Science*, 20 August, p. 713).

Armos was launched in late 1980, amid the financial hoopla that then surrounded the commercialization of biotechnology. The initial capital came from the company's founder and president, Brian T. Sheehan. A biochemist and expert in large-scale fermentation technology, Sheehan was a former executive and stockholder of Genentech; he made a pile of money when Genentech went public and its share prices soared. He founded Armos

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