

search project operated as a completely separate operation where every stamp, test tube, etc., is meticulously charged to the proper budget. . . ."

When viewed against the tradition of the sanctity of the university, these very real irritations tend to take on a significance that is quite probably out of proportion to the actual significance of the federal-university relationship. Without doubt, there has been altogether too much all-thumbs handling of universities by federal agencies, but, as the report points out, "on balance, . . . federal support of project research is a highly beneficial feature of the postwar educational scene. Without it, . . . the whole character of many universities' research programs (and, in consequence, of their instructional programs) would change. Faculties, in many instances, would shrink. Many research efforts would have to be abandoned completely. Others would be sharply curtailed."

Of course, it would be useful, the report implies, to eliminate all nit-picking in federal surveillance of grant expenditures, but, more fundamentally, there is a need to reappraise the overall relationship between higher education and the federal government; for, as is pointed out, a great many of the most vexing difficulties arise from the fact that while Congress adamantly holds a narrow view of the justification for giving money to universities, grant funds have come to play a broad role in university finances.

"Today," the report notes, "the expenditures of most federal dollars—in instructional areas as well as in the dominant area of scientific research—are justified on grounds of the very specific, very immediate national needs they will meet. But would it not be wiser, asked many institutions participating in this study, for federal programs to be founded on the recognition that the *strengthening of higher education* is itself a pressing, perhaps the pressing, national need that justifies the government-campus relationship?"  
—D. S. GREENBERG

### **Foreign Research: U.S. Agencies Take Steps To Limit Their Support for Programs Carried Out Abroad**

The administration's effort to reduce dollar expenditures abroad are beginning to be felt by federal agencies that support research in foreign countries.

Tentative plans call for NIH, which is the largest single supporter of dollar-financed foreign research, to halt the annual growth of its overseas program and hold to the current level of about \$15.5 million. Since 1960, the program had grown by at least 20 percent a year. Meanwhile, the Defense Department, which supports some \$7 million of foreign research, has preliminary plans for reducing this total by 50 percent over a 3-year period. In addition, foreign grant recipients have been told that when funds are provided for equipment, it is desirable that the purchases be made in the United States. There is no hard and fast policy on this, and when prices here are higher by 50 percent, exceptions are likely to be made, but the trend is to apply pressure to encourage the spending of American dollars in the United States.

The effort to reduce foreign research expenditures is being conducted with a good deal of caution and delicacy; this has not always been the case in other efforts to cope with the balance-of-payments problem. For example, suddenly imposed restrictions on sending military dependents abroad unquestionably improved the balance sheets but had painful effects on service morale. However, in the case of foreign research, the amounts of money are relatively small as compared with the overall payments problem, thus there is no incentive for fast, large cuts. But perhaps even more important, the government's science advisory apparatus has been closely consulted to determine the least harmful approach to reducing expenditures. Along the way, serious consideration has been given to the fact that while the sums under scrutiny are only a small fraction of the payments deficit (as well as a small fraction of U.S. research expenditures), they are quite significant in foreign research budgets. (Sweden, which spends some \$25 million of its own funds in the biomedical sciences, receives about \$1.4 million annually from NIH.) Initially, the Bureau of the Budget spoke of an immediate 50 percent across-the-board reduction in foreign research expenditures, but it is now generally thought that this figure was thrown out more for the purpose of inspiring shock and careful thought than as a serious proposal. In any case, while the goal of reducing, or at least not enlarging these expenditures, is now accepted, the details are being closely supervised by the State Department's Office of Interna-

tional Scientific Affairs, the White House Office of Science and Technology, and the agencies immediately involved.

The balance-of-payments problem has developed because Americans spend more abroad than foreigners spend in this country, with the result that the deficit totaled some \$2.2 billion in 1962. Since dollars held abroad must be exchanged for gold on demand, the imbalance presents a threat to the United States gold reserve and, ultimately, to confidence in the value of United States currency. As a result, the administration has been pressing all agencies to reduce their expenditures overseas, and the overall foreign research budget—estimated to be at least \$25 million annually—has accordingly come under scrutiny. The changes are expected to take place in the fiscal year that started this month.

The basic principle underlying the reduction in expenditures is that existing work will not be interrupted and that future commitments will be honored. In line with this, NIH foresees no abrupt changes in its overseas programs, outside of a departure from the annual growth which has regularly taken place. However, the Air Force and the Army, which support a good deal of foreign research, particularly in western Europe, are tentatively headed for a major reduction in overseas research. Final plans are yet to be approved by Defense Secretary McNamara, but, as now formulated, they call for reducing current expenditures to 90 percent in the current fiscal year, to 70 percent the second year, and to 50 percent the third year. The Department of Agriculture, which is also a major supporter of foreign research, finances the bulk of its activities with foreign currencies obtained through the sale of surplus farm products. The use of these funds is not affected by effort to reduce the dollar drain. However, this has little effect on NIH and the Defense Department, since most of their research is conducted in nations outside the surplus food program.

According to persons administering the NIH and Defense programs, the result of the reductions is going to be that increasingly higher standards will be applied to foreign grant applications. They already are supposed to be judged by far stricter standards than their U.S. counterparts. "It's going to be even tighter from now on," according to one NIH official.—D.S.G.