

# Hatch Takes Over Senate Labor Committee

*Edward Kennedy's subcommittee on health and scientific research is abolished*

The Republican majority in the senate, together with a restructuring of senate committees, has brought many new faces on the scene and perhaps nowhere more so than in health affairs. The subcommittee on health and scientific re-



**Senator Paula Hawkins**

*Planning NCI investigation*

search, from which Senator Edward Kennedy (D-Mass.) dominated health care politics for more than a decade, has been abolished. Meanwhile, another subcommittee under the Senate Committee on Labor and Human Resources has arisen to focus on investigations and oversight. Its chairman is freshman senator Paula Hawkins of Florida. Hawkins has announced that the subject of her first inquiry will be why the National Cancer Institute has not been more successful in finding a cure for cancer.

The architect of these major changes is Orrin Hatch of Utah, the incoming chairman of the labor and human resources committee. According to an aide, Hatch at first wanted to chair the health subcommittee himself, but could not do so because he would have exceeded the number of subcommittee chairmanships allowed by senate rules. Some speculate that Hatch then abolished the subcommittee to prevent the more conservative Republican senator, Gordon Humphrey of New Hampshire, from assuming the top position. By dissolving the subcommittee, Hatch as full committee chair-

man, retains jurisdiction over matters, including biomedical research, that were covered by the now defunct health subcommittee.

The changes in the committee occurred because Hatch is interested in broadening his power and building "a national reputation", a committee aide said. So far, Hatch has not been a major player as far as biomedical research and the National Institutes of Health are concerned. He has sponsored a handful of bills on comprehensive health insurance and home health care.

Hatch did support the recent Kennedy bill that would have set up a 16-member panel to advise the President on biomedical issues. Although the research community was not enamored of the bill, it turned to Kennedy for support to fight a bill proposed by Representative Henry Waxman (D-Calif.) that would have given Congress greater control over NIH.

According to aides, Kennedy has not made a firm decision to reintroduce the bill and Hatch has not decided what health issues will be on his agenda.

With the phase out of the health subcommittee, Kennedy is now ranking minority member of the full committee and is also a member of the new investigations subcommittee headed by Hawkins. Other subcommittee members are Humphrey and Hatch; other senators might



**Senator Orrin Hatch**

*Taking an interest in health*

spent a lot of money on cancer in this country. Why isn't the cure around the corner a la polio?" she asked.

"Cancer touches so many families. It gets closer and closer." Many in her elderly constituency suffer from the disease. Three of her closest friends have cancer. Her own mother died of cancer in 1968. "It was a terrible, lingering disease," she said.

The Republican senator comes to Washington without specific problems in

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be added later. The panel will have the power to review Social Security, education, labor and health affairs but its specific duties have yet to be defined by Hatch.

Hawkins is eager to begin her chairmanship with an investigation of the oft-investigated National Cancer Institute and says she may probe other parts of the cancer establishment, including the American Cancer Society.

In an interview in her senate office, Hawkins explained her reasons for investigating cancer research. "We've

mind about cancer research, only vague outlines that may become clearer once an investigation begins. She has already assigned two aides the task of "finding out whatever they can about cancer." After a week of preliminary research by the two assistants, she has concluded that "There's something out there."

One of Hawkins' aides is looking into old allegations that executives of pharmaceutical companies sit on the boards of fund-raising groups for cancer and direct money into "orthodox methods of treatment using drugs," he said. "There

may or may not be substance to these allegations. We'll have to see."

Said Hawkins, "I want to look into the politics of cancer." She suspects, for example, that researchers resist sharing results, an opinion based on phone calls she has received since a short news item appeared in *Newsweek* that she planned to investigate the NCI.

When asked about her background in cancer, Hawkins said she reads as much as she can about it—"both facts and rumors." She also pointed out that she

has collected money for cancer research in her own neighborhood in Florida. She plainly acknowledges that she is unschooled in the workings of the \$1.9 billion cancer institute and its wide array of divisions and programs. Her two aides working on the project are also new to the Washington scene but bring legal experience to their work for the subcommittee. One was a trial attorney in Houston and the other was chief of felony prosecutions for the Florida state attorney's office.

Hawkins said she also plans to review the Occupational Safety and Health Administration at some point. Like the rest of her Republican colleagues, she is worried about overregulation.

The new investigations subcommittee has no budgetary authority, but it clearly has the power to bring the attention of Congress and the press to bear on matters that it chooses to look into. As a freshman senator and new subcommittee leader, Hawkins has chosen an ambitious first project.—MARJORIE SUN

## Is R & D the Key to the Productivity Problem?

*As new Administration seeks to spur economic growth economists can offer a diagnosis of what went wrong*

Is lagging investment in research and development responsible for the decline in U.S. productivity and, therefore, an important contributor to inflation?

The consensus among a group of economists who specialize in studying productivity, technological change, and the dynamics of economic growth seems to be that the decline in R & D spending deserves a share of the blame but, to the extent that such things are measurable, not the major share.

The question is pertinent now. For, as the Reagan Administration seeks to carry out the voters' mandate to fix the ailing American economy, it will soon have to come to grips with the problem of lagging productivity. And the new Administration, like the Carter Administration before it, will have to ask what role, if any, the government should take in promoting R & D.

The experts offer no easy answers. The reasons for slowed growth are complex, and the measurement techniques used have limitations. But the economists do provide solid clues to what went wrong.

For a broad perspective, the economic strategist can consult the work of economist Edward F. Denison, a leading practitioner of what is called "growth accounting." Denison, a senior fellow emeritus of the Brookings Institution, is now associate director for national economic accounts of the Commerce Department's Bureau of Economic Analysis. A Denison study published in 1979 by Brookings is perhaps the most comprehensive attempt available to do what

its title indicates—*Accounting for Slower Economic Growth*. In a recent interview, Denison said he believes his 1979 diagnosis still holds true.

Denison is one of those who does not think that the decline in support of R & D sufficiently explains the downturn in growth. He does, however, see investment in R & D as an important component of growth in the long run. As for identifying the sources of the sharp drop in growth rates in the 1970's, he says they remain something of a "mystery." But he suggests that the blame lies with a cluster of hard-to-measure factors, including R & D, where everything seems to have gone wrong at once.

The big trends are clear. Growth in U.S. productivity averaged 2.4 percent a year between 1948 and 1973. Then a sharp change occurred. Denison notes that national income per person employed dropped by a total of 5.6 percent in 1974 and 1975. It then recovered somewhat, but Denison estimates that its overall growth rate between 1973 and 1978 was zero.

A slowdown in the growth of productivity—measured in output per worker per unit of time or in output per unit of input—had actually begun in the middle 1960's. Denison says this slowing was in part the result of developments that were inevitable, even welcome. These years effectively marked the end of a long period of transfer of workers from agriculture to nonfarm jobs; the pool of farm workers was depleted. Great numbers of young workers and adult women entered the work force, increasing the proportion

of inexperienced workers and adversely affecting productivity. Costs of government regulation to protect health, safety, and the environment also began to affect productivity.

Denison finds the change in the growth pattern after 1973 more disturbing and



**Edward F. Denison**

more puzzling. The sharp drop in productivity growth cannot be accounted for by the developments noted above. Nor, says Denison, are the causes to be found in the recession and drop in capital investment that followed OPEC oil price rises or in such variable factors as weather or work stoppages. Denison suggests that the main "sources of degradation" lay with another group of determinants. These he calls "advances in knowl-