

THE

# CANCER

RESEARCH  
EDUCATION  
CONTROL

# LETTER

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## NCAB JOLTED BY 1977 PRELIM BUDGET, "OUTRAGEOUS" PROSPECT—FUNDING ONLY 30% OF APPROVED GRANTS

NCI appropriations for the 1976 fiscal year, which starts July 1, probably won't be determined by Congress until September, and the President could delay things further by requesting recisions. But despite not knowing what they will get in 1976, NCI staff and members of the National Cancer Advisory Board are well into the struggle with the Office of Management & Budget over the fiscal 1977 budget.

The 1977 fiscal year is the year in which NCI's budget could top \$1 billion. Congress authorized \$1.073 billion for the third year of the National Cancer Act renewal. It's a safe bet, however, that the President's budget request next January will not be close to that figure.

At a closed session during its meeting last week, NCAB received a presentation from NCI staff on how the 1977 money would be split up based on two figures—a "mid-alternative" of \$860 million and an  
(Continued to page 2)

### In Brief

#### TREATMENT REORGANIZATION PLAN DUE IN NOVEMBER, RAUSCHER SAYS; PANEL TO REVIEW CLINICAL ACTIVITIES

**HE HASN'T** made up his mind on reorganizing NCI treatment activities, Director Frank Rauscher says. "It could be OK just the way it is, but I doubt it." Rauscher intends to submit a reorganization plan to the National Cancer Advisory Board at its November meeting. Meantime, the President's Cancer Panel's entire Aug. 13 meeting will be devoted to a review of all NCI clinical programs. . . . "I'VE HEARD some critics of the cancer program who say we're spending too much money on cancer research," said Benno Schmidt, Cancer Panel chairman. "But I haven't yet found anyone who believes that to be true at his institution". . . .

**QUIETLY WORKING** to find some way around the \$36,000 pay ceiling for all but a few government executives, Schmidt has tried to get OMB and the President to elevate the position of NCI director to one of the special categories above the GS-18 level. So far, he has been unsuccessful. The President has been listening to other advisors, however. A few days ago he signed an executive order moving up to Levels IV and V, which carry a \$38,000 salary, these positions, among others: deputy under secretaries in the Defense, Labor and Transportation departments; the deputy director of the Secret Service; the person in charge of the General Service Administration's computer operations; and—get this—four associate directors of the Office of Management & Budget and the congressional lobbyist for the Dept. of Commerce. The same order included the NIH director and administrators of the Social & Rehabilitation Service and the Health Services Administration, the HEW comptroller, the deputy commissioner of Social Security, and the commissioner on aging, all in HEW. Does that say something about the President's priorities?

Ford Gets  
Temporary Funds  
Bill; House  
Committee Demands  
More Positions  
For NCI

. . . Page 4

NCI Advisory  
Group Meetings  
For July

. . . Page 5

Nobelists Offers  
"Electronic" Theory  
Of Cancer

. . . Page 5

Contract Awards

. . . Page 6

Sole Source  
Negotiations

. . . Page 6

Cancer  
Research  
Emphasis  
Grants  
FY 1977  
Prelim  
Budget  
(\$ in  
thousands)

RESEARCH THRUST	1976 ESTIMATE	1977 MID-ALTERNATIVE	1977 UPPER BOUND
<b>CAUSE AND PREVENTION</b>	\$5,867	\$ 9,360	\$18,645
<b>DETECTION AND DIAGNOSIS</b>	500	1,300	1,700
<b>TREATMENT</b>	200	1,500	10,900
<b>CANCER BIOLOGY</b>	2,600	5,600	5,800
<b>TOTAL CREG</b>	<b>\$9,167</b>	<b>\$17,760</b>	<b>\$37,045</b>

**NCAB ASKS FUNDING FOR 65% RENEWALS, 50% OF NEW GRANTS FOR FISCAL 1977**

(Continued from page 1)

“upper bound” figure of the full authorized amount, \$1.073 billion.

Although preliminary budgets are closely guarded secrets in the federal bureaucracy, *The Cancer Letter* has obtained a copy. Here’s how it shows the money would be divided among program areas at the \$860 million level:

- Treatment – \$266.5 million.
- Cause & prevention – \$218.5 million.
- Cancer biology – \$142.2 million.
- Cancer control – \$69.9 million.
- Detection & diagnosis – \$57 million.
- Cancer centers support – \$43 million.
- Research manpower development – \$36.1 million.
- Construction – \$26.9 million.

And here’s how the billion dollars would be divided in the unlikely event Congress appropriates the full authorized amount:

- Treatment – \$323.3 million.
- Cause & prevention – \$271.6 million.
- Cancer biology – \$164.7 million.
- Cancer control – \$88.5 million.
- Detection & diagnosis – \$80 million.
- Cancer centers support – \$52.4 million.
- Construction – \$47 million.

Research manpower development – \$45.9 million. In drawing up the 1977 preliminary budget, NCI had to make an assumption of what the final figure would be for 1976 to permit some basis for comparison. The staff decided upon \$780 million, probably a good guess (See following story on the House HEW appropriations bill).

The House figure will be about \$725 million, and the Senate probably will vote about \$835 million (so the guessing went). In splitting the difference as they always do on money bills, NCI would get \$780 million.

NCI received \$691 million in 1975, plus had \$8 million carryover in construction funds from the previous year. All \$699 million will be spent or obligated before June 30, since there is no carryover authority this year.

The projections in the preliminary budget that really jolted NCAB members were those dealing with the percentage of traditional research grants which would be funded.

With the mid-alternative of \$860 million, only \$11.5 million would be available for approved competing renewals, permitting funding of only 30%.

In fiscal 1975, 69% of approved renewals and 60% of approved new grants were funded. The estimate for 1976, based on the \$780 million, is 56% and 48%.

With the full authorization in 1977, 80% in both categories would be funded.

PROGRAM AREA	1976 ESTIMATE	1977 MID-ALTERNATIVE	1977 UPPER BOUND
VIROLOGY	\$ 967	\$ 967	\$ 2,967
CARCINOGENESIS	1,000	2,700	5,700
FIELD STUDIES	1,800	2,493	3,878
NUTRITION	2,000	3,000	5,500
MOLECULAR CONTROL	2,000	4,700	4,700
IMMUNOLOGY	800	1,500	1,900
DIAGNOSIS	200	600	600
TREATMENT	- 0 -	1,000	10,000
BREAST CANCER	400	800	1,500
LUNG CANCER	- 0 -	- 0 -	300
<b>TOTAL CREG</b>	<b>\$9,167</b>	<b>\$17,760</b>	<b>\$37,045</b>

*Mid-Alternative figures for CREG in 1977 are based on total NCI appropriation of \$860 million; upper bound figures on \$1.073 billion. The 1976 estimate is based on \$780 million.*

When the figures were tossed around in the closed session, the Board seemed willing to compromise at \$912 million, which would permit funding of 65% of renewals and 48% of new approved grants. The next day in an unprecedented action obviously designed to generate support for more money, the Board "went public" with a preliminary budget discussion in open session.

A resolution was presented citing \$912 million as the lowest acceptable figure for 1977. Panel Chairman Benno Schmidt objected. "If we say \$912 million, that then becomes the ceiling from which a compromise will come," Schmidt said. He urged that the Board should not support any figure less than the authorization, but should include in the resolution only the desired grant funding percentage and a statement asking for more construction money.

The resolution follows:

"The NCAB has considered the 1977 budget in considerable detail and has reviewed several alternatives drawn up by staff.

"History has indicated over the past five years that it is necessary to fund at least 65% of the approved renewal grants and about 50% of the approved new grants in order to fund the highly meritorious applications in these categories.

"The judgment reflects the knowledge of the number and the character of the scientific avenues ripe for exploration which must be investigated in

order to achieve control of cancer. The maintenance of a critical mass of a healthy research enterprise is essential in order to explore these scientific frontiers with appropriate vigor.

"The Board also believes that \$60 million should be appropriated for the building program in the FY 77 budget in order to effectively house new programs, to update certain existing facilities, and to meet modern safety recommendations."

The resolution carried without a dissenting vote, although Philippe Shubik abstained, objecting to the 65% and 50% limits. "There is no great virtue in tying this board to numbers," Shubik said. "Back in the days of the Eisenhower Administration we were funding 100% of approved grants. We were told to cut that by 10% as an economy measure, and the cuts have continued. Why go on record as settling for 65%? The suggested 30% is absolutely outrageous. That would be incredibly damaging to the cancer program."

Board member Mary Lasker suggested the resolution should request the full authorization. "The annual cost of cancer is \$20 billion," she said. "Any progress we make will provide an immense saving of money."

"There's no question we can spend wisely the full authorization," Schmidt said. "It gets into the relative position of the cancer program and other priorities. If we have to, and we will, we can carry on effectively with some reduction. But it would be very

disturbing to carry on with funding only 30% of approved grants.”

In 1975, NCI funded 238 competing renewal grants out of 345 approved, awarding \$16.6 million; and 533 new grants out of 891 approved, awarding \$29.9 million.

The estimate for 1976 in the preliminary budget is 173 of 308 renewals, \$14.1 million; and 490 new grants of 1,018 approved, \$28.9 million.

Under the mid-alternative for 1977 (in which only 30% in each category would be funded), the estimate is 136 of 452 approved renewals, \$11.5 million; and 324 new grants of 1,079 approved, \$20.9 million.

Under the upper bound for 1977, the estimate is 362 of 452 approved renewals, \$27.5 million; and 863 new grants of 1,079 approved, \$50.1 million.

### TEMPORARY FUNDING BILL GOES TO FORD; WOULD FORCE SPENDING AT HOUSE LEVEL

Meanwhile, battles over 1976 appropriations are shaping up on several fronts. The outcome of each will have considerable significance for the Cancer Program.

Congress has passed and sent to the White House a continuing resolution, a bill which provides fiscal 1976 funding for agencies until their regular appropriations bills become law. Without the continuing resolution, there would be no money after June 30 for those agencies not yet included in completed appropriations measures.

In recent years, continuing resolutions have permitted the President to spend at levels recommended in his own budget estimates. This has invariably been, for health programs especially, substantially less than Congress eventually appropriated.

The continuing resolution now (at press time) on President Ford's desk mandates that spending levels be based on appropriations bills which may have already been approved by the House or Senate.

This will benefit NCI to no small extent. The HEW appropriations bill which the House was scheduled to vote on this week has \$725 million for NCI (\$703 million specifically plus about \$22 million for training programs yet to be authorized), while the President's budget asked for only \$605 million.

NCI was forced to operate for two-thirds of fiscal 1975 at a level nearly \$100 million less than called for in the regular appropriations bill, because Ford took advantage of the continuing resolution during the long struggle over his rescission requests and required the institute to hold spending to his budget. Then, when the rescissions were voted down, NCI had to scramble in order to spend its money before the fiscal year ended.

Sen. Warren Magnuson, chairman of the HEW Appropriations Subcommittee, left no doubt as to Congress' intentions. "We put in language offered by Sen. Brooke directing that the rates of operation for programs and activities under the continuing resolu-

tion be interpreted as mandatory spending levels, just as would be the case in a regular appropriations bill," Magnuson said. "I am tired of the people downtown (the White House) interpreting the continuing resolution to impound funds."

Brooke said the continuing resolution "is based on the assumption that the House of Representatives will pass the fiscal year 1976 Labor-HEW bill prior to June 30, and that the levels contained in the House bill will basically form the continuing resolution level."

The possibility exists that the President will veto the continuing resolution. It includes \$2.8 billion for emergency employment programs which were part of a \$5.3 billion bill Ford has vetoed. Congress is counting on the President accepting the lesser figure.

The fiscal 1976 HEW appropriations bill (H.R. 8069) was reported out of the House Appropriations Committee last week with no change in NCI funds recommended by Chairman Daniel Flood's subcommittee (*The Cancer Letter*, June 13). That figure is only \$34 million more than appropriated for NCI last year; for that reason and others, it was disappointing to NCI executives and others. Once again, it will be up to the Senate to force increases which will keep the Cancer Program momentum from slowing down.

Even at the \$780 million NCI expects to be the eventual compromise figure (as referred to in the previous story), research grant funding will drop considerably from 1975, according to NCI estimates. At that figure, 65 fewer competing grant renewals and 43 fewer new grants would be funded in 1976 than in 1975.

Those estimates differ from those expressed in the House Appropriations Committee's report on the bill. The report states:

"In order to maintain the stability of support for biomedical research, the committee has included in the NIH appropriations sufficient funds to bring the regular research grant programs, the research and development contract programs, and the cancer control program to their 1975 appropriation levels plus an increase of 10% to provide for rising costs and to permit the support of a number of new endeavors. Funds for general research support grants, for which the budget estimates made no provision, and for the support of multidisciplinary research centers and special research programs have also been restored to their 1975 levels."

The Flood bill also was disappointing in that no money was specifically earmarked for new construction of cancer facilities, nor was any mention made of it in the committee report.

It is obvious that OMB will continue to refuse funds for new construction unless specifically ordered otherwise in the appropriations bill. The National Cancer Act gives NCI the authority to support new construction, but OMB has stated that not only will it not release such funds but it probably will tell NCI to stop accepting applications for new construction.

There appears to be now only two courses of

action open to those institutions which must have federal support for construction of new cancer facilities: Convince the Senate, specifically Magnuson's subcommittee, to mandate such spending in its bill; or start preparing lawsuits.

Magnuson probably will not complete work on the Senate bill until just before the August recess. The Senate then would act after returning in September.

The Flood subcommittee did attempt to alleviate the personnel crunch at NCI. The report says:

"The committee wants it to be clearly understood that a portion of the increases over the budget estimates may be used, at the discretion of the (NIH) institutes, to finance additional positions to administer the grant and contract programs and to conduct and support intramural research. During the hearings the committee took special care to enquire into the personnel situation at NIH and was not surprised to discover that the shortage of adequate staff was the most serious managerial problem, because personnel ceilings have repeatedly been lowered while program and administrative responsibility have grown. To meet the staffing needs of the new institutes and the expansion of programs, as required by new legislation, in some of the older ones, it has been necessary to take people or positions away from the intramural research programs. This procedure seems to be penny-wise-pound-foolish management: NIH is one of the world's outstandingly successful medical research institutions; its productiveness cannot be maintained nor can its extensive research facilities be effectively used if its staff of scientists and technicians is gradually eroded in order to cope with the unmet needs for administrative and grant-or-contract management personnel.

"The committee is reluctant to provide specific numbers of additional personnel for specific institutions because it does not wish to be in the position of having to assess needs with a precision for which it has neither the detailed knowledge nor the time. However, the committee has examined the personnel matter with sufficient thoroughness to be certain that a serious problem exists at NIH and that steps should be taken immediately to make additional positions and employment ceilings available in both extramural and intramural programs."

Again, specifically on NCI, the report says:

"The committee notes that a critical manpower shortage at NCI continues to exist even though Congress has mandated that sufficient positions be provided to manage the National Cancer Program. The committee expects that adequate personnel will be made available to develop and maintain an expanded cancer effort effectively and efficiently."

The committee chopped down one NCI request, he report notes:

"A proposed increase of over half a million dollars for travel expenses for the Cancer Institute has been disallowed because it seems to the committee that an

allowance of \$2.9 million, the same as the amount provided in 1975, should be sufficient for all necessary travel."

## NCI ADVISORY GROUP

### MEETINGS FOR JULY

**President's Cancer Panel**—July 8, Bldg 31 Room 8, open 9:30 a.m.—12 noon.

**Subcommittee on National Organ Site Programs**—July 8, Bldg 31 Room 7, 9 a.m., all open.

**Virus Cancer Program Scientific Review Committee B**—July 9, Bldg 31 Room 7, open 9—9:30 a.m.

**Cancer Control Supportive Services Review Committee**—July 10, Bldg 31 Room 7, open 8:30—9 a.m.

**Temporary Committee for Review of Data on the Carcinogenicity of Cyclamate**—July 10-11, Bldg 31 Room 10, 9 a.m.—5 p.m. both days, all open.

**Cancer Control Intervention Programs Review Committee**—July 11, Bldg 31 Room 7, open 8:30—9 a.m.

**Virus Cancer Program Review Committee A**—July 14-15, Bldg 37 Room 1B04, open July 14, 9—9:30 a.m.

**Smoking & Health Program Contractors**—July 17-18, The Homestead, Hot Springs, Va., 9:30 a.m. both days, all open.

**Recombinant DNA Molecule Program Advisory Committee**—July 18-19, NAS Summer Study Center, Woods Hole, Mass., 9 a.m. both days, all open.

**Committee on Cancer Immunotherapy**—July 24, Bldg 10 Room 4B14, open 1—1:30 p.m.

**Committee on Cancer Immunotherapy**—July 31, Bldg 10 Room 4B14, open 1—1:30 p.m.

## NOBELIST SZENT-GYORGYI LECTURES ON "ELECTRONIC" THEORY OF CANCER

Albert Szent-Gyorgyi, Nobel prize winning biochemist, was scheduled to deliver a lecture entitled "Electronic Biology and Cancer" this week at a meeting of Nobel laureates in Lindau, Germany.

Szent-Gyorgyi's theory that correlates cancer with electronic reactions of cells has stirred little interest at NIH and the American Cancer Society, both of which supported some of his research in the 1960s. He has carried on his work in rented facilities at the Marine Biological Laboratory at Woods Hole, Mass., largely through the support of private foundations.

Currently backing the 82-year-old Szent-Gyorgyi is the National Foundation for Cancer Research, founded three years ago by Washington D.C. attorney Franklin Salisbury.

Salisbury has run a direct-mail campaign which he said has obtained 25,000 contributors and generated \$250,000-\$300,000 a year for the single purpose of supporting Szent-Gyorgyi.

The Hungarian-born scientist received the Nobel prize in 1937 primarily for his discovery of vitamin C. Most of his NIH-supported work was in the field of muscle chemistry.

Salisbury last month submitted a grant application to NIH on behalf of Szent-Gyorgyi for support of work to, the application said:

"Establish the specific electronic structure of proteins which makes the speed and subtlety of biological reactions possible. These features of protein are, mainly semiconductivity and uncoupling of electrons,

leading to free radicals. Establish the chemical mechanisms of electron transfer between protein and dicarbonyl electron acceptors. Establish the chemical nature of substances responsible for the resting state of unperturbed cells, and the transition into the proliferative state. Correlate these factors with the electronic relations in cancer."

The application asked for a total of \$491,301 over three years.

The Div. of Research Grants at NIH responded by informing Szent-Gyorgyi that his application did not contain sufficient information to permit review and evaluation. "Specifically, we require a detailed research protocol detailing the proposed methodology to be utilized in pursuing your goals," the DRG letter said.

Salisbury indicated he would not comply, since Szent-Gyorgyi refuses to be more specific. "He feels strongly that in basic research, it is not possible to chart procedures and predict discoveries. He should be supported on the strength of his reputation and accomplishments," Salisbury said.

#### **CONTRACT AWARDS**

**Title:** Development of detailed methods and protocols for carcinogenesis screening using cell culture assays — Task I

**Contractor:** Microbiological Associates, \$525,785.

**Title:** Study of hormonal factors of the human and animal prostate

**Contractor:** Southwest Foundation, \$163,775.

**Title:** Study of the effect of a high meat diet on the bacterial flora and chemical components of feces

**Contractor:** Univ. of Missouri, \$31,241.

**Title:** Continued studies and investigations on therapy of patients with Stage II cancer

**Contractor:** Case Western Reserve Univ., \$117,000.

**Title:** Continue immunological characterization study

**Contractor:** Mason Research Institute, \$164,000.

**Title:** Study in pharmacology of new antitumor agents

**Contractor:** Ohio State Univ., \$104,660.

**Title:** Ten additional tasks involving construction, alteration and renovation at Frederick Cancer Research Center

**Contractor:** Litton Bionetics, \$487,481.

**Title:** Continued study of genetic polymorphisms in high and low risk breast cancer families

**Contractor:** Univ. of Texas, \$33,700.

**Title:** Potential Prescreens for chemical carcinogens

**Contractor:** Stanford Research Institute, \$161,947.

**Title:** Studies on the role of hormonal factors on the induction of breast tumors

**Contractor:** Mason Research Institute, \$89,984.

**Title:** Conduct of a Japan-Hawaii cancer study

**Contractor:** Kuakini Hospital & Home, \$390,057

**Title:** Studies of high risk breast cancer families

**Contractor:** Michigan Cancer Foundation, \$530,000.

**Title:** Maintain animal holding facility to support intramural research

**Contractor:** Flow Laboratories, \$114,951.

**Title:** Characterization of the nucleic acids of the avian myeloblastosis virus

**Contractor:** Massachusetts General Hospital, \$140,000.

**Title:** Continuation of the development of inhibitors to RNA methylation

**Contractor:** Univ. of Colorado Medical Center, \$115,735.

**Title:** Perform mixed leukocyte cultures

**Contractor:** Hazleton Laboratories, \$123,723.

**Title:** Research on the antitumor resistance of extract (MER) of tubercle bacilli (BCG)

**Contractor:** Hebrew Univ., Jerusalem, \$115,424.

**Title:** Continuation of toxicology of antineoplastic agents study

**Contractor:** Univ. of Southern California, \$70,630.

#### **SOLE SOURCE NEGOTIATIONS**

*Proposals listed here are for information purposes only. RFPs are not available.*

**Title:** Virus Processing and production facility  
**Contractor:** Nucleonics Laboratories.

**Title:** Demonstration of tumor specific transplantation antigens in animal and human tumors with the microcytotoxicity assay

**Contractor:** Fred Hutchinson Cancer Research Center.

**Title:** Organization and management of the Seventh International Symposium on Comparative Leukemia Research

**Contractor:** International Assn. for Comparative Research on Leukemia & Related Diseases, Columbus, Ohio.

**Title:** Research, development and monitoring of biohazard facilities

**Contractor:** Dow Chemical Co.

#### **The Cancer Newsletter—Editor JERRY D. BOYD**

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