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Dr. Arthur B. Pardee
Professor
Sidney Farber Cancer Institute
Charles A. Dana Cancer Center
44 Binney Street
Boston, Massachusetts 02115

Dear Dr. Pardee:

Your letter of July 20, 1977 arrived during my absence in Europe. Hence, the delay in replying. I share your hope that our differences can be used constructively to improve the national cancer effort. In this connection, I hope you will be pleased to know that because of your letter and other letters like it as well as my own concern since I learned of the 33.3% funding for new and competing renewal RO-1 grants in 1977, I have been strongly urging measures which will avoid a repetition of this circumstance in 1978.

With respect to your point that I have provided statistics relating to the total basic research funded rather than solely to investigator-initiated grants, let us look at the figures for investigator-initiated traditional research grants (RO-1's). The dollar support for that category from 1970 to date is as follows:

1970	\$ 39,576,000
1971	44,133,000
1972	59,207,000
1973	73,412,000
1974	99,415,000
1975	112,258,000
1976	129,021,000
1977	136,880,000

These figures clearly support the position that, even in this category, "basic research is more adequately funded than heretofore."

Again looking solely at traditional research grants (RO-1's), the percentage of approved new and competing renewal grants that have been funded since 1970 are:

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1970	36.1%
1971	55%
1972	61.6%
1973	51.7%
1974	59%
1975	62.7%
1976	48.1%
1977	33.3%

Therefore, the percentage of these categories funded has not been unsatisfactory until 1977. As I pointed out in my earlier letter, this condition in 1977 was not due to a failure to increase total expenditures for regular research grants. Such expenditures were increased in the same percentage as the budget as a whole. The problem was that the increase in the non-competing grants absorbed \$12.3 million leaving funds for the funding of only 30% of the new applications and only 40.7% of the competing renewals. I agree with you that this is an unsatisfactory percentage, regardless of how it arises, and every effort must be made to avoid a repetition of this circumstance. I still believe, however, that we have made good on our determination to support quality basic research as adequately as possible until this year.

As pointed out in my earlier letter, when it became apparent in 1977 that we would be able to fund so low a percentage of the new and competing renewals in the traditional research grant category, we attempted to alleviate this condition by requesting permission from the Congress to reprogram a portion of the funds which had been appropriated for construction. Had this reprogramming been permitted, we would have been able to fund approximately 50% of the approved grants in these categories this year. However, this consent was denied, and there were no other funds available to us this year.

There is no difference between us about the importance of quality and the desirability, indeed the necessity, of supporting the best investigators. If we are favoring "second-quality grants" because they are "safer" and ruling out "the best investigators," that is a fault of peer review which is difficult for me, as Chairman of the President's Cancer Panel, to prove or remedy. I hope this is not generally true.

I am also in complete accord with you about the importance of "truly fundamental research." I understand the difference between "original research" and "engineering," and I understand the importance of the former in the cancer program.

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If you have read the last minutes of the Cancer Panel, you are aware that I have recommended to the new Director that he reexamine the support of basic research by the contract mechanism and determine whether some part of the funds now used for that purpose should be devoted to grants. I have also recommended a review of all funds used for contracts by intramural researchers in the areas of their own research. These expenditures will be weighed as well against the return of this money to the investigator-initiated grant pool.

The so-called "support contracts" do not support scientists in their research budgets, as you suggest, but they are logistical contracts for supplies, services, drugs, cell lines, animals, etc. required by the program. This category is also being closely reexamined to see if it is susceptible to sound reduction.

I assure you that the people who are charged with the administration of this program, including Dr. Arthur Upton and members of his staff, the members of the Panel, and the members of the National Cancer Advisory Board, are aware of the truths set forth in your letter. We will make every possible effort to support as much good fundamental research as it is possible to support with the budget available to us. However, we also must continue, at the same time, to make the best possible effort in research designed to maximize the use of today's knowledge in prevention, diagnosis and cure.

In accordance with your request, I will circulate your letter and this reply to all those who received a copy of my original letter to you. As you have undoubtedly surmised, I gave some circulation in the scientific community to my reply because the essence of your original letter to me appeared in the New York TIMES simultaneously with its receipt by me.

With best regards,

Sincerely yours,



Benno C. Schmidt