

Washington borrows its \$200,000 million a year largely from its own citizens and corporations. Interest rates are higher than they need be, given general confidence in the United States and the low rate of inflation over the past few years. The result is that the US dollar is artificially high compared with other currencies, which means that important sections of US industry, from agriculture to manufacturing, are competitively disadvantaged.

That the present circumstances are unstable is demonstrated by the fluctuations on the international currency markets. The threat to the US banking system occasioned by more than \$50,000 million of overseas loans is technically a separate issue, but one that could precipitate a loss of confidence in the dollar. Otherwise, there are two distinct ways in which the international community will deal with the deficit if the US government does nothing much about it: either people overseas will decline to keep on lending to the United States unless interest rates are further increased, in which case industrial production will further decline, the loss of confidence may go so far as to cause a flight from the dollar, in which case the currency will fall to where it should be, but corporations in the United States will be strapped for the cash they need to finance development. That is how the rest of the world sees the problem. In the United States, the prevailing sense, by contrast, is that trading partners are taking unfair advantage of the strong dollar, whence the widespread cry for protection from the rigours of free trade. The biggest danger now is that the Congress will listen more attentively to these voices than to the need to cut the deficit. The consequence, protectionism and counter-protectionism, could be just as serious as straightforward collapse. □

Action to follow

The US Food and Drug Administration plans to be more energetic. Time will tell if it succeeds.

Ms Margaret Heckler, Secretary of Health and Human Services in the US administration and, now that Mr James Watt has left the Department of the Interior, one of its most eager publicists, has embarked on a herculean task — that of preparing the Food and Drug Administration (FDA) for “the challenges of the twenty-first century”. More strictly, Ms Heckler has delegated the task to Dr Frank Young, director of the agency for the past year. Late last month, the two of them made public what the FDA calls *A plan for action*, a judicious blend of good intentions and more distant but even better aspirations. The temptation to make fun of this ingenuous document should, however, be repressed. Since the days during the Chinese cultural revolution when it was customary for Chinese public agencies to confess the errors of their past ways, and promise to do better in the future, there has been nothing like FDA’s vision of what it will become.

The starting point is tangible enough, the new procedures for the approval of new drug applications (NDA), published in final form in February. The intention is to simplify and accelerate the process of approving new drugs, partly by making FDA’s requirements of manufacturers more explicit, partly by admitting evidence gathered outside the United States in support of applications for generic drugs, for example. Along the same lines, a new set of regulations about Investigational New Drugs (IND) is about to make its appearance. Sensible proposals like these may not entirely meet the promise that the drug approval process may be shortened significantly from the present standard interval of 7–10 years, but they may at least prevent the further erosion of performance occasioned, among other things, by the increased sophistication of the testing procedures it is now possible (and prudent) to expect of applicants.

From that point on, the action plan becomes a good deal more fanciful. One proposal is that manufacturers submitting evidence in support of NDAs should be allowed to do so electronically, direct from their computer to another at FDA, thus doing away with the need to hire a truck to deliver the 100,000 pages of evidence which on the average accompany each application. The snag is that FDA has not yet equipped itself to receive these

electronic messages, and will be able to do so only when it can cheese-pare the funds from elsewhere in its budget. The scheme for deepening the range of expertise available to FDA by appointing at universities a number of FDA fellows who would divide their time between research and the giving of advice is similarly still only a sentence or two in the plan. But FDA’s proposals for further improving the process of data collection and analysis as part of its surveillance of drugs already in use should be largely a matter of good housekeeping, and thus well within its own control. □

Geostationary blues

Governments are perplexed about the diplomacy of geostationary satellites.

A WORLD Administrative Radio Conference (WARC) of the International Telecommunication Union (ITU) must rank with anything on the subject of Canada as the surest way for newspapers to lose readers. But responsible newspapers acknowledge that, damn it, from time to time, ITU’s WARCs have to be written about. The WARC now in session in Geneva, for example, is important: it will make assignments lasting a decade or more on radio frequencies and orbital positions for telecommunications satellites. Science writers have had to use all their ingenuity to make the subject comprehensible and, they fondly hope, interesting. And the biggest obstacles to their hopes are the names of the organization and of the conference and the technical problems involved.

The geostationary orbit, the circular path 36,000 kilometres above the Earth from which satellites appear to hover fixed over the same spot, is the hardest. The *Financial Times* made it sound quite cosy: “the most popular place for communications satellites . . . the ring in space which is home to about 80 operational communications satellites”. The *New York Times* disdained all technicalities and called it simply “the satellite belt”. How to brighten the name of the conference and the specialized agency of the United Nations which is running it? *Variety*’s “Geneva Confab” cannot be bettered, but neither can it be imitated. Other papers had to make do with phrases like “a six-week international gathering”. The *New York Times* did not mention the sponsoring organization.

Popularization is all very well but overdramatization is not. The need to make WARC interesting has pushed the newspapers into stating its purpose as unsnarling the “traffic jam in the heavens” or the “congestion over the Equator”. That is wrong, but the concept of a traffic jam is a poor metaphor. All the articles in which it appeared have then had to back away, explaining that there can be no physical pile-up and that the chances of collision in a path 265,000 kilometres in circumference are nil. Signal interference could be a problem, but even that is soluble with re-use of frequencies, higher frequencies and time-division multiplexing.

The real reason the conference was called is that the developing countries demanded it at the 1979 WARC. The United States, Britain and other industrial countries fought hard against it, but India insisted and, in the end, they had to give in. The developing countries demanded that they must have guaranteed access to places in orbit when they are ready, and so do not want the best positions to have been pre-empted by the industrialized countries. Equity in orbit is the problem, not congestion, and it will be tackled at two WARCs — this summer’s and the second session set for 1988. The United States is fighting advance reservations on the grounds that the practice wastes spectrum and discourages innovation. But it concedes that it has to do something to placate the developing world’s legitimate gripe about the industrialized world’s monopoly on the orbit. This grows out of ITU’s long-established policy of awarding all frequencies on a first-come, first-served basis. The poorer countries do not like that either. About 90 per cent of the usable frequencies in the radio spectrum are occupied by 10 per cent of the 150 member countries of the ITU. □