such mergers may have beneficial effects, but the overall impact is again to reduce the incentive and scope for local research and development. This is especially the case when transnational firms dominate the entire industry, as they do in many Latin American countries where they may be responsible for three-quarters or more of total sales volume. Most of the raw materials for drugs sold in Latin America come from outside Latin America. Central America imports 90% of its raw materials for drugs. This is hardly the road to self-sufficiency. And the multinationals openly resist efforts by Latin American governments to foster an independent national research and development capability. An ambitious and well-financed plan mounted in Brazil in 1971 to utilize government, university and other local laboratories to produce 400 basic medicines cheaply and efficiently for nation-wide distribution was openly resisted by the foreign-owned firms. In the end the plan was emasculated, resulting in only a very small transfer of secondary R&D facilities by a few companies to Brazil.

Just as they complain about excessive controls by the FDA in this country, the multinational firms are hardly likely to favor an improvement in the generally inadequate government control systems in Latin America for drug labelling and marketing. Since the investigative work for my book was completed, several transnation-

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