make the ethical drug market workably competitive. The elimination of patents would (in the absence of economies of scale in production) lead to the entry of new firms producing under conditions of approximately constant costs. The inelasticity of demand would thus be offset by highly elastic supply. The existing economies of scale in selling would, in time, be eliminated by advertising reforms and the disappearance of those monopoly profits which have motivated and financed extravagant selling efforts. The advertising reforms would also remedy the imperfection of market information, allowing physicians to become aware of the precise nature of the price and product alternatives, and disparagement efforts would wane as the funds necessary to finance them dwindled due to increasing competitive pressure on prices, and as the manifest adequacy of FDA inspection rendered the substance of such contentions obviously specious.

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