

products essentially the same in all countries.

The drug companies have countered that any increase in their foreign prices would drive them out of the foreign markets, not only reducing their earnings but upsetting still further this country's unfavorable balance of trade. On the other hand, any attempt to reduce American prices to the level of prices on foreign markets could be catastrophic to their total financial structure.

The Task Force finds that further study is required on the different prices at which drug products are offered to American and foreign purchasers (see page 49).

Patents, Trademarks and Competition

In the case of most commodities, rival companies compete vigorously on the open market on the basis of both quality and price, with the consumer having the right to make the final judgment. In most instances, the results have been steadily increasing quality and decreasing price.

In the case of drugs, there are distinct differences. The competition is based almost entirely on real or presumed therapeutic advantages. The patient, who must pay for the drug, rarely has any voice in its selection. The