

well as a scientific gamble. There is, however, no evidence that this kind of risk characterizes a typical major drug company with a substantial line of drug products. When such a company undergoes a painful loss in this kind of a gamble, the record would seem to show, it generally covers it by substantial profits on other drugs.

The record would also tend to show that--at least during the past 20 years--losses of this nature have driven few if any major pharmaceutical manufacturers into serious financial straits.

In recent years, some major American drug manufacturers have diversified their operations by moving into other operations. In some instances, this has been described as an attempt to minimize risks. At the same time, however, it is apparent that other companies are diversifying their operations by moving into the drug field.

The Chief Economist of the Federal Trade Commission has testified that, on the basis of advice given by investment analysts, there is no reason to conclude that the drug industry is a uniquely risky industry. In fact,