

Now, that drug was synthesized in 1953 by Merck and they found no useful medical purpose for it. Then NHI, specifically the National Heart Institute, started experimentation with it and discovered through careful scientific trials of their own that it was a very useful antihypertensive. It is pretty clear from the testimony in 1965 and 1966 before Senate and House Appropriations Committees that it was NHI, National Heart Institute, and their experiments that discovered a use for the drug that was very valuable.

Sales for this drug amounted to \$33 million in 1970, up to \$42 million in 1971. I don't know where it is now, but it certainly is one of the largest selling drugs in the country.

The company has until now refused to give a price break to VA sufficient enough to make it economically justifiable for them to purchase and centrally store it, which is an interesting commentary on the industry's attitude towards the Government that gave them a profitable market for the drug in the first place, by discovering a use for it.

If you have a philosophical comment you would like to make on that issue, I would like to hear it. My second question would be, why in heaven's name does the Federal Government, in this case the NHI, expend taxpayers' money and create a use for a drug with sales 3 years ago of \$42 million, and be so neglectful as not to take out a use patent? What is the policy of our Government in protecting the taxpayer? Here they are being outrageously gouged by a company who got a profitable product through the taxpayers' efforts and through the efforts of the greatest research institute of its kind in the world which then turned around and gave the results of these efforts to Merck so they could gouge the taxpayer.

This seems to me just an outrageous business and what are you gentlemen doing about that?

Dr. EDWARDS. First, let me say I don't know that that really is the fault of the NHI. I suspect it is the fault of the Department generally and I must say I don't know anything that—I am not aware of this particular situation. I know we have had some very recent discussions on the whole subject of patents but as yet no definitive policy, at least that I am aware of, has been promulgated.

Senator NELSON. Well, it seems to me that the taxpayers' interest in this should be protected.

Dr. EDWARDS. I think your point is a very good one and I think that we should adopt a specific policy on this particular kind of issue.

Senator NELSON. This has occurred time after time, as you are aware, in all kinds of research and development of products by the Department of Agriculture, HEW, and any number of departments, and then suddenly the work of that department becomes the private preserve of one firm in the private sector with the public's interest not being protected at all.

Well, let me say this. We intend to have hearings on this specific issue, not only on this drug but the broad issue, because it is un-