also questionable whether consumers of patent-protected drugs should be required to carry such costs alone, even if manufacturers had the option of charging whatever price they chose.

Therefore, the questions remain. Assuming the pharmaceutical industry's research programs are to be continued at the present rate of about $1 billion a year, and that those efforts cannot realistically be maintained except with partial support from drugs not covered by a patent, what is an equitable solution? How is the public health served if HEW refuses to reimburse research-based firms making superior products at prices above those of companies whose business consists only of selling older drugs for which the market has been established at other producers' expense? If planners must anticipate that the returns on their R&D investments will cease with the end of the abbreviated life of a drug patent, the incentive to maintain such commitments will certainly be reduced.

The pharmaceutical industry neither seeks nor deserves special consideration beyond the protections of the patent system and the working of the marketplace, to provide the conditions in which its research investments can be justified. But the MAC proposal would not let the market function as it normally does. Rather than allowing new drug entrants into a market to compete on the basis of price, quality and service, the MAC program would short-circuit that process.

Such a step should not be taken without full consideration of its impact on this country's leading role in drug innovation.