In brief

BMJ joins EurekaAlert: The *BMJ* has joined the EurekaAlert website, which is run by the American Association for the Advancement of Science (www.eurekaalert.org). The website aims to provide journalists with the latest research advances in science and medicine.

Debate rages over next US surgeon general: The United States's Senate is fiercely debating the nomination of Dr David Satcher as the nation's next surgeon general. The post has been empty for the past three years after Dr Jocelyn Elders was dismissed after speaking about masturbation. Henry Foster, an obstetrician named to replace her, failed to woo the Senate because he had performed abortions. Dr Satcher's nomination is controversial because he supports late term or partial birth abortions.

Clinton puts figures to pledges: In his budget speech the United States president, Bill Clinton, asked Congress for \$900m (£560m) over the next three years to include more children in Medicaid programmes. From the still unresolved tobacco settlement, he requested \$750m for the National Cancer Institute and \$14.8bn for the National Institutes of Health.

Plans for UK millennium festival announced: A millennium festival of medicine to run throughout the year 2000 will celebrate key advances in medicine and focus on current healthcare issues. Those interested in becoming involved should contact Christina Gwynne-Evans on 0171 383 6872.

Huge cost of air pollution: A report from the British Lung Foundation estimates the suffering, illness, and premature death due to road traffic related air pollution to be over £11bn (\$18bn) a year in Britain. The authors call for radical transport solutions to cut pollution levels.

NHS anniversary website launched: The British health secretary, Frank Dobson, has launched an NHS 50th anniversary internet website (www.nhs50.nhs.uk).

Drug company merger should benefit research

George Labreque, *London*

The likely impact of the proposed merger between Glaxo-Wellcome and SmithKline Beecham is still unclear, though industry and government officials generally believe that in the long term it will boost the British science research base as well as the health of the two companies.

Britain's biggest pharmaceutical manufacturers announced on 30 January that they were discussing a merger after talks between SmithKline Beecham and American Home Products broke down. Talks could last several more weeks, company officials said. The move would be the biggest corporate merger ever, creating by far the largest pharmaceutical company, with more than \$27bn (£17bn) in sales and a global market share of about 8%.

For Britain, ever concerned that it may lose its world class science research base, a new company comprising Glaxo-Wellcome and SmithKline Beecham would be a key national asset, responsible for about 20% of all private sector biochemical research conducted in the country.

However, Roger Lyons, general secretary of MSF, the union that says it represents 5000 of the two companies' 21000 workers in the United Kingdom, said: "We don't think the case has been made for this merger. We don't know what is going to happen to the UK science base." He has reason to be concerned. After Glaxo's acrimonious takeover of Wellcome in 1995, some 12% of Glaxo's 62000 workers worldwide lost their jobs, and Beckenham, Wellcome's giant research complex near London, was closed. While some workers were absorbed by other companies, it isn't clear what happened to the rest, Mr Lyons said.

Industry commentators say that dire predictions are not warranted. They say that the management, cultures, and research capabilities of the two companies are complementary, all essential components to a successful merger. Although some 10% of the combined worldwide workforce of 106000 is likely to be cut, they say that most cuts will be in sales and

administration, not research and development.

And, because the merger is likely to be a virtually debt free transaction, the two companies combined will have the capacity significantly to boost their 1996 research spend of £2bn, of which a large proportion is in Britain.

Faced with demands for cheaper, better drugs, drug companies have little choice but to boost their research and development continually, said Trevor Jones, who left Wellcome as research and development director when it merged with Glaxo in 1995. "You simply have to be better these days," said Mr Jones, now director general of the Association of British Pharmaceutical Industries. "It's no longer possible to introduce products that don't add benefit or cost effectiveness."

The big mergers of pharmaceutical companies that have become common in recent years are being driven by two key forces: the cost and the risk of developing new drugs is rising, and the financial returns for new and existing drugs are no longer guaranteed, particularly after a drug's 20 year patent expires.

Patents for Glaxo-Wellcome's two best selling drugs—Zantac (ranitidine) for ulcers and Zovirax (aciclovir) for herpes—expired in 1997. SmithKline Beecham's ulcer drug Tagamet (cimetidine) lost patent protection in 1994, and the patent for the company's biggest seller, the antibiotic Augmentin (co-amoxiclav), expires in 2002.

Drug discovery has become ever more complex and expensive. In a recent analysis the HSBC James Capel brokerage found that it cost the top 20 drug companies an average of \$824m to get a new chemical entity to the market.

Such factors are likely to force more consolidation in the drug industry, which started with SmithKline Beecham merging with the Beecham Group in 1989. Bristol-Myers Squibb, Hoechst Marion Roussel, Novartis, and Pharmacia and Upjohn are all recent products of the trend in mergers, and analysts expect more as companies vie for a larger share in the \$222bn world drug market.

The proposed merger will also link two of the most promising and capital intensive avenues of drug research. SmithKline Beecham is a world leader in research into the genetic basis for disease, while Glaxo-Wellcome has spearheaded a drive in computerised molecular design. □

The cost and risk of developing new drugs is rising

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