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THE FIRST WORD/

IT LOOKS LIKE UP TO ME

That time of year....

When yellow leaves, or none, or few, do hang
Upon those boughs which shake against the cold,
Bare ruin'd choirs, where late the sweet birds sang.

The first weeks of January were full of post-hangover post-mortems. They blow down the streets and flutter in the gutters like fallen leaves. In hindsight, 1990 was a year more to be survived than savored: As any athletic coach will admit, rebuilding years are difficult. But the Roman god for whom January is named looked forward as well as backward. Look at where we stand now: Perhaps interleukin-2 did fail—on its first try—to win approval as a cancer therapeutic, just as every new recombinant drug since human insulin has had some problems. It is more important, as we enter biotechnology's second decade, to realize how much the pace of product approvals is accelerating.

As we will detail in future issues, 1991 could see perhaps a dozen biotech drug approvals in the U.S. and only a slightly lesser number in the unifying, but still not unified, European Community. The prospective one-year total, then, may be more than the number of biotech approvals won over the whole of the preceding decade. Remember, too, that these products aim at sizable markets; they are not orphans-in-training. Or consider the performance of U.S. mutual funds. Encapsulated, the conventional wisdom of 1990 went something like this: Biotechnology is far from living up to its promise. Health-care generally is under fire. The Japanese industrial juggernaut is juggling on. And (as in any time of political upheaval) investors looking for a solid bulwark against chaos should be converting their currency into gold.

But what really happened? According to one widely publicized mutual-fund study (by Lipper Analytical Services), these exercises in bet-hedging lost an average of 6.3 percent during the rocky course of 1990. There were, however, areas that returned handsome profits: funds specializing in biotechnology, the pound sterling, healthcare, and the Deutschmark did well*. The money-losing funds backed gold and Japanese industry. It was indeed a topsy-turvy time.

We noted some time ago (*Bio/Technology* 7:1101, Nov. '89)—long before official and semi-official economists were using "the R-word"—that something very like a recession seemed to settle like the flu on the biotechnology-based industries. In the same contrarian spirit, now that the sachems of the money supply are talking about tough times ahead, we sense that the turnaround may already have come to biotech. The pulse, hard to measure as it may be, is quickening. Though the financial markets have been quiet (especially compared to the boom-town rowdiness of early- and mid-decade), the year saw at least one start-up of epic proportions. The top biotech companies solidified their positions; they are looking, sounding, and acting more and more like pharmaceutical houses.

This issue marks the end of our eighth full year of publication. It is also our eightieth consecutive editorial. This year just past has been perhaps the hardest we have seen in that time; but seldom has the year to come held such promise.

—Douglas McCormick

*Lipper's pick 1990's top performer was the Fidelity Select Biotechnology Fund. Its share values increased 44.38 percent. Other healthcare funds occupied fourth and fifth places, with gains around 25 percent. (Interestingly, pound sterling funds occupied second and third positions, with gains around 36 percent.)