

Cambridge University Press  
978-0-521-66295-6 - Medicine, Science and Merck  
P. Roy Vagelos and Louis Galambos  
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## *Medicine, Science and Merck*

In *Medicine, Science and Merck*, the authors trace the career of a son of Greek immigrants as he mastered three professions and ultimately became the Chief Executive Officer of America's most admired corporation, the multinational pharmaceutical giant Merck & Co., Inc. As the authors show, there was hope even for a wise-cracking kid living through the hard times of the 1930s. Education brought out the scholar in Roy Vagelos, who left his family's small restaurant to attend the University of Pennsylvania, Columbia University's College of Physicians and Surgeons, and Massachusetts General Hospital in Boston. At the National Institutes of Health, he mastered biochemistry; at Washington University, he became a distinguished science administrator; and at Merck, he headed the pharmaceutical industry's most innovative laboratory and then became its Chief Executive Officer. Throughout, he never lost touch with his family values, his intense desire to help others, or his faith in the partnership principle and the competition that makes it work.

P. Roy Vagelos is retired Chairman of Merck & Co., Inc.; Chairman of Regeneron Pharmaceuticals, Inc.; and Chairman of Theravance Corporation.

Louis Galambos is Professor of History at the Johns Hopkins University in Baltimore and the coeditor of *The Papers of Dwight David Eisenhower*. He is the coauthor of *The Fall of the Bell System* (Cambridge, 1987), *Networks of Innovation* (Cambridge, 1995), and *Anytime, Anywhere* (Cambridge, 2002).

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# Medicine, Science and Merck

P. ROY VAGELOS

LOUIS GALAMBOS



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32 Avenue of the Americas, New York NY 10013-2473, USA

Cambridge University Press is part of the University of Cambridge.

It furthers the University's mission by disseminating knowledge in the pursuit of education, learning and research at the highest international levels of excellence.

[www.cambridge.org](http://www.cambridge.org)

Information on this title: [www.cambridge.org/9780521662956](http://www.cambridge.org/9780521662956)

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First published 2004

6th printing 2006

*A catalogue record for this publication is available from the British Library*

*Library of Congress Cataloguing in Publication data*

Merck : the first three careers of Roy Vagelos / P. Roy Vagelos, Louis Galambos.  
p. cm.

Includes bibliographical references and index.

ISBN 0-521-66295-8 (hc).

1. Vagelos, P. Roy. 2. Physicians – United States – Biography. 3. Medical scientists – United States – Biography. 4. Physician executives – United States – Biography. 5. Merck Sharp & Dohme. I. Galambos, Louis. II. Title.

R154.V34A3 2003

610'.92–dc21

[B]

2003051233

ISBN 978-0-521-66295-6 Hardback

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To my wife, Diana, who helped me throughout my  
career and brought happiness to our entire family  
– Roy Vagelos

To the memory of my wife, Jane, and to my four  
wonderful daughters  
– Lou Galambos

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Contents

<i>Preface</i>	<i>page ix</i>
1 The Making of a Physician	1
2 Hot Science in Big Government	37
3 The French Alternative	58
4 The Research University – American Style	74
5 Turning the Corner at Merck	106
6 Crisis	139
7 Blockbusters	152
8 On-the-Job Training	175
9 Global Aspirations	195
10 The Moral Corporation	225
11 Getting to Know the Clintons	257
12 Partners	272
<i>Index</i>	293

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## *Preface*

As the retired chief executive officer of a major U.S. multinational firm, Roy Vagelos has already received a lifetime allotment of public attention. Whether it was standing before financial community experts to explain the past, present, and (I hoped) future of Merck & Co., Inc.; or testifying before a congressional committee in defense of the National Institutes of Health budget; or announcing Merck's gift of a new drug with the potential to eradicate river blindness – I spent years in the media limelight, receiving more than my share of newsprint, magazine pages, and TV coverage. Now, however, almost a decade after that highly visible life ended, I have collaborated with Lou Galambos on a book that has allowed us to reflect on all three of my careers: in medicine, science, and business. Along the way, we have tried to provide a balanced perspective on two important professions and on an industry, pharmaceuticals, that has aroused a tidal wave of controversy in recent years.

When Lou suggested that we collaborate on this book, I initially resisted. I was then in my last year on the job at Merck and didn't have time to reexamine the past – especially what seemed at the time to be the distant past of my family, my education, and my first two professional careers. But I was finally convinced that we could do the job expeditiously if, following recorded discussions concerning the events of my career, Lou drafted chapters and I edited them. As we got down to work, I became intrigued by the task, but mine was an action-packed retirement that left very little time to devote to editing. I was serving as chairman of the Board of Trustees at the University of Pennsylvania, and then I added the chairmanship of Regeneron Pharmaceuticals, Inc. These responsibilities, in addition to serving on several corporate boards, kept me quite occupied. Later, I took on the presidency of the American School of Classical Studies at Athens and the chairmanship of Theravance Corporation. So a decade passed in writing a book about a life that was lived in fast forward.

To make that life understandable, we've introduced you to several generations of the Vagelos family. As will become obvious, there is here some celebration of a Greek heritage and the American systems of education and political economy. We are not apologetic about those larger dimensions of our society. Close families, a marvelously open educational system, and a business environment attuned to competition, professional accomplishment, and innovation created a setting that enabled the son of an ice cream and candy maker to help millions of people in the United States and abroad live longer and better lives. In one country alone, the People's Republic of China, the introduction of the world's first recombinant DNA vaccine will eventually allow that nation to break the deadly hold of the hepatitis B virus on its population. Knowing that, one sleeps well and writes a book that appreciates the American institutions – public, nonprofit, and private – that make this society so creative.

With time to reflect, it is also possible to write a book that exposes some of the institutional warts on the American system and explains where Roy Vagelos fell short of his own goals. We have tried to do that throughout. If we seem harsh about judging Hillary Clinton, we hope our readers will agree that we have been just as tough about Roy Vagelos's several careers. In doing so, we have not tried to address all the questions raised since 1994 about medicine, the biomedical sciences, or the pharmaceutical industry. All have come under intense fire. All have changed. All have continued to attract worldwide attention as the AIDS pandemic ravages developing societies and resistant forms of bacteria and new viruses threaten our lives. What we have provided is a general response to these serious problems. We have urged our society and its leaders to nurture a system that will enable the United States and its pharmaceutical industry to be as flexible and innovative in the future as they have been in the past.

In writing this book over several years, we have received a great deal of help and advice. Our families have been supportive and tolerant. In matters large and small, they have supported our efforts, put up with our egos, and demonstrated an infinite capacity to love. Roy is particularly indebted to his wife, Diana, his son Andrew, and his sister Helen Barnes, all of whom spent much time improving the manuscript. Diana also selected all of the photos included in the book. Cambridge University Press has been an ideal publisher, and Editor Frank Smith has exceeded even his high standards in bringing this book into print.

*Preface*

xi

Developmental Editor Carol Shookhoff provided us with expert advice about every aspect of the manuscript. In Roy Vagelos's New Jersey office, Diane Taylor has given us enthusiastic support, as has Elizabeth Kafig, a research associate of Lou Galambos's at Johns Hopkins University. Diane and Elizabeth's enthusiasm and organizational skills allowed us to make the great leap from records and recollections to a book manuscript. At Merck, from the top down, we have received assistance and backing for this endeavor. Particularly helpful were Senior Vice President and General Counsel Kenneth C. Frazier, Vice President Jeffrey L. Sturchio, and Archivist Joseph Ciccone. They helped us improve the manuscript while leaving to the authors the job of interpretation and analysis. That of course makes us responsible for any mistakes – a burden we gladly accept.

Roy Vagelos  
Louis Galambos  
June 2003