

The drug industry has vast resources at its disposal. Its expenditure for advertising and promotion of drugs is now well over \$1 billion per year or about \$5,000 per physician per year.

This is about twice as much as we are spending each year to educate our doctors in our country's 116 medical schools.

These massive expenditures on advertising and promotion are ultimately borne by the public. A more important cost to the public, however—not measureable in monetary terms—is the systematic bias in what industry passes off as educational material but which is in reality part of the industry's promotional efforts. These activities should be of grave concern to the medical profession and its educational establishment.

The subcommittee plans to hear from those who prepare this material, arrange conventions and exhibits, as well as medical organizations that sponsor them. In addition, at future hearings we expect to hear from outstanding medical educators. These are the people—the medical profession and its schools—who have the responsibility for educating physicians not only in undergraduate medical education but also in postgraduate education.

Our first witness this morning is Mr. Jay Raeben, president, Visual Information Systems, Division of Republic Corp., New York, N.Y.

Mr. Raeben, your statement will be printed in full in the record. You may present it however you desire.¹

Mr. RAEBEN. Would it not be preferable simply for me to read it as written, Mr. Chairman.

Senator NELSON. However you desire, sure.

STATEMENT OF JAY E. RAEBEN, PRESIDENT, VISUAL INFORMATION SYSTEMS, DIVISION OF REPUBLIC CORP., NEW YORK, N.Y.

Mr. RAEBEN. This statement identifies Visual Information Systems' activities. I will describe briefly those concerned with medical communication or education, and at a somewhat greater length, deal with those likely to be of special interest to the subcommittee. As each activity is discussed, I will make an effort to respond in that section to the subcommittee's concerns as suggested in its invitation letter of April 6.

Our company was formed in October 1962 and became part of Republic Corp. in 1969. Its first activities were in closed-circuit television at conventions. Since then we have provided business and university instruction on video tape and made smaller forays into sports and entertainment.

VIS' principal activities and those of interest to the subcommittee are in medicine and this statement is limited to them.

Senator NELSON. May I interrupt, Mr. Raeben?

I note that you state that VIS became, in 1962, a part of the Republic Corp. What is the Republic Corp. and what other business activities are they engaged in in addition to what VIS does?

Mr. RAEBEN. Republic Corp. I think was referred to at its peak about 1970 or 1971 as a conglomerate. It was during that process of conglomeracy that we were acquired in 1969. I think it has since

¹ See prepared statement of Mr. Raeben beginning at page 14246.